



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

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON
THE AUDIT OF FINANCIAL STATEMENTS OF TANZANIA
METEOROLOGICAL AGENCY FOR THE FINANCIAL YEAR
ENDED 30TH JUNE, 2017**

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March, 2018

AR/TMA/2016/2017

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Abbreviations

CAG	Controller and Auditor General
ISSAIs	International Standard of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
PAA	Public Audit Act No.11 of 2008
PAC	Public Accounts Committee
TMA	Tanzania Meteorological Agency

1.0 GENERAL INFORMATION

1.1. Mandate

The statutory duties and responsibilities of the Controller and Auditor General are given under Article 143 of the Constitution of the URT of 1977 (revised 2005) and in Sect. 10 (1) of the Public Audit Act No.11 of 2008.

1.2. Vision, Mission and Core Values

Vision

To be a highly regarded Institution that excels in Public Sector Auditing.

Mission

To provide high quality audit services that improves public sector performance, accountability and transparency in the management of public resources.

Core Values

In providing quality services, NAO is guided by the following Core Values:

- ✓ **Objectivity:** We are an impartial public institution, offering audit services to our clients in unbiased manner.
- ✓ **Excellence:** We are professionals providing high quality audit services based on standards and best practices.
- ✓ **Integrity:** We observe and maintain high standards of ethical behavior, rule of law and a strong sense of purpose.
- ✓ **People focus:** We value, respect and recognize interest of our stakeholders.
- ✓ **Innovation:** We are a learning and creative public institution that promotes value added ideas within and outside the institution.
- ✓ **Results Oriented:** We are an organization that focuses on achievement based on performance targets.
- ✓ **Team work Spirit:** We work together as a team, interact professionally, share knowledge, ideas and experiences.

We do this by:-

- Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- Helping to improve the quality of public services by supporting innovation on the use of public resources;
- Providing technical advice to our clients on operational gaps in their operating systems;
- Systematically involve our clients in the audit process and audit cycles; and
- Providing audit staff with appropriate training, adequate working tools and facilities that promote their independence.

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1.3. Audit Objectives

To obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error and are prepared in accordance with an applicable financial reporting framework; and whether laws and regulations have been complied with.

1.4. Audit Scope

The audit was carried out in accordance with the, the International Standards of Supreme Audit Institutions (ISSAIs) and other audit procedures as were deemed appropriate under the circumstances. This covered the evaluation of the effectiveness of the financial accounting system and internal control over various activities of the Tanzania Meteorological Agency.

The audit was conducted on a sample basis; therefore, the findings are confined to the extent that records, documents and information requested for the purpose of the audit were made available to me. Audit findings and recommendations arising from the examination of the accounting records, appraisal of the activities as well as evaluation of the Internal Control System which requires management's attention and actions, are set out in the management letter issued separately to the Tanzania Meteorological Agency.

As an auditor, I am not required to specifically search for fraud and therefore, my audit cannot be relied upon to disclose all such matters. However, my audit was planned in such a way that I would have reasonable expectations of detecting material errors and misstatement in the Financial Statements resulting from irregularities including fraud. The responsibility for detection, prevention of irregularities and the maintenance of an effective and adequate system of internal control rests with the management of the Tanzania Meteorological Agency.

1.5. Audit Methodology

My audit approach included tests of the accounting records and other procedures in order to satisfy the audit objectives. My audit procedures included the following:

- Planning the audit to identify and assess risks of material misstatement, whether due to fraud or error, based on an understanding of the entity and its environment, including the entity's internal controls.
- Obtain sufficient appropriate audit evidence about whether material misstatements exist, through designing and implementing appropriate responses to the assessed risks.
- Form an opinion on the Financial Statements based on conclusions drawn from the audit evidence obtained.
- Follow up on the implementation of the previous year's audit findings and recommendations and directives issued by PAC to ensure that proper action has been taken in respect of all matters raised.

2.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Ministerial Advisory Board,
Tanzania Meteorological Agency,
P.O. Box 3056,
DAR ES SALAAM.

Report on the audit of Financial Statements for the financial year ended 30th June, 2017

Unqualified Opinion

I have audited the Financial Statements of Tanzania Meteorological Agency, which comprise the Statement of Financial Position as at 30th June, 2017, and the Statement of Financial Performance, the Statement of Changes in Net Assets/Equity, the Cash Flow Statement and the Statement of Comparison of Budget and Actual Amounts for the year then ended, as well as notes to the Financial Statements, including a summary of significant accounting policies set out from page 8 to 21.

In my opinion, the accompanying Financial Statements present fairly in all material respects, the Financial Position of Tanzania Meteorological Agency as at 30 June 2017, 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 in the manner required by the Public Finance Act, 2001 revised 2004.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of my report. I am independent of Tanzania Meteorological Agency in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Tanzania, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Information Other than the Financial Statements and Auditor's Report Thereon

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

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in

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

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

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 the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters to communicate in my report.

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 IPSASs, 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.

Auditor's Responsibilities 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 auditor's 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 ISAs 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.

In addition, Sect. 10 (2) of the PAA No.11 of 2008 requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Sect. 48(3) of the Public Procurement Act No.7 of 2011 requires me to state in my annual audit report whether or not the audited entity has complied with the provisions of the Law and its Regulations.

**Report on Other Legal and Regulatory Requirements
Compliance with the Public Procurement Act, 2011**

In view of my responsibility on the procurement legislation and taking into consideration the procurement transactions and processes I have reviewed as part of this audit, I state that, Tanzania Meteorological Agency procurement transactions and processes have generally complied with the requirements of the Public Procurement Act No.7 of 2011 and its underlying Regulations of 2013.


Prof. Mussa Juma Assad
CONTROLLER AND AUDITOR GENERAL



March, 2018

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**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION
TANZANIA METEOROLOGICAL AGENCY**



**MINISTERIAL ADVISORY BOARD'S REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

Director General
Tanzania Meteorological Agency
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September, 2017

**TANZANIA METEOROLOGICAL AGENCY (TMA)
MINISTERIAL ADVISORY BOARD'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

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TANZANIA METEOROLOGICAL AGENCY
AGENCY INFORMATION
30 JUNE 2017

PRINCIPAL PLACE OF BUSINESS

Ubungo Plaza, 3rd, 4th and 10th Floor
Morogoro Road
P. O. Box 3056
Dar es Salaam
Tanzania

BANKERS

National Microfinance Bank (NMB) Ltd
NMB Bank House, Samora Avenue
P. O. Box 9213
Dar es Salaam
Tanzania

CRDB Bank Limited
Azikiwe Street
P.O.Box 268
Dar Es Salaam
Tanzania

Bank Of Tanzania
Dar Es Salaam Zone
P. O. Box 2939
Dar Es Salaam
Tanzania

LAWYERS

Attorney General
P. O. Box 9050
Da es Salaam
Tanzania

DIRECTOR GENERAL

Dr. Agnes L. Kijazi
P. O. Box 3056
Dar es Salaam
Tanzania

AUDITORS

The Controller and Auditor General
The National Audit Office
P. O. Box 9080
Dar es Salaam
Tanzania

**TANZANIA METEOROLOGICAL AGENCY (TMA)
MINISTERIAL ADVISORY BOARD'S REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

1. INTRODUCTION

TMA Ministerial Advisory Board is pleased to submit a report of the financial statements of the Agency for the year ended 30 June 2017.

The report has been prepared in accordance with the provisions of The Public Finance Act 2001 (R. E 2004), The Executive Agencies Act 1997 Chapter 245 and Tanzania Financial Accounting Statement No. 1 on Directors' Report.

The Tanzania Meteorological Agency (TMA) was established from its predecessor, the Directorate of Meteorology (DoM) that was established by Act of Parliament No. 6 of 1978 as a specialised department responsible for the provision of meteorological services in Tanzania following the collapse of the then East African Community in 1977.

TMA was established under the Ministry of Transport and Communication with the Executive Agency Act No. 30 of 1997 and was inaugurated as an Executive Agency, on 3rd December 1999.

The Agency is the designated National Meteorological Authority, which is also multisectoral service provider entrusted with the task of providing and regulating weather and climate services in Tanzania in a manner intended to improve the welfare of the Tanzanian society.

2. Vision

To stand out as a centre of excellence in the provision of world-class weather and climate and other related services thereby contributing to sustainable socio-economic development.

3. Mission

To provide quality, reliable, and effective weather and climate services thereby contributing to the safety and socio-economic well being of people and to the national development agenda.

4. Core Values

In making sure that vision and mission are achieved, the Agency will observe the following core values:

- Professionalism;
- Good governance;
- Quality services;
- Timeliness; and
- Customer focus;
- Cost effectiveness.
-

5. MEMBERSHIP OF THE BOARD

TMA Ministerial Advisory Board has a composition of eight (8) members as follows:

- a) One person who the Minister has been satisfied that has expertise in environmental issues or represent environment sector interests,
- b) One person who the Minister has been satisfied that has a vast expertise in meteorology science,
- c) One person who the Minister has been satisfied that has expertise in Agricultural science or represent Agricultural sector interests,
- d) One person who the Minister has been satisfied that has expertise in Aeronautical service delivery operations or represent Aviation sector interests,
- e) One person who the Minister has been satisfied that has a vast expertise in financial matters,
- f) One person who the Minister has been satisfied will represent Zanzibar matters and interests,
- g) Director General of the Tanzania Meteorological Agency who is also the Ministerial Advisory Board Secretary
- h) A senior officer from the Ministry responsible with Meteorology who will be an Ex Officio member.

The following are the current Ministerial Advisory Board Members: -

S/N	NAME	STATUS	CITIZENSHIP	Profession	Date Appointed
i.	Dr. Buruhani Salum Nyenzi	Chairman	Tanzanian	Meteorologist	1/8/2015
ii.	Mr. Waddy Haji Ali	Member	Tanzanian	Financial expert	1/8/2015
iii.	Col. Mamdali. M. Msuya	Member	Tanzanian	Meteorologist	1/8/2015
iv.	Eng. James L. Ngeleja	Member	Tanzanian	Engineer	1/8/2015
v.	Mr. Samwel J. Kiondo	Member	Tanzanian	Economist	1/8/2015
vi.	Prof. Suzan Nchimbi Msola	Member	Tanzanian	Agricultural expert	1/8/2015
vii.	Mr. Gabriel J. Migire	Ex-officio Member	Tanzanian	Economist	1/8/2015
viii.	Dr. Agnes L. Kijazi	Secretary	Tanzanian	Meteorologist	1/8/2015

The Ministerial Advisory Board (MAB) is required to hold quarterly meeting. During Financial year 2016/2017 four meetings were held and also in 2015/16 four MAB meetings conducted.

5.1 MAB MEMBERS' REMUNERATION

TMA Ministerial Advisory Board members are not paid Director's fee.

The Members' remuneration for services rendered as Advisory Board members of the Agency are as follows:-

- i. TZS 400,000/= paid as sitting allowances.
- ii. TZS 350,000/= as honorarium.

6. FUNCTIONS OF THE AGENCY

According to the Ministerial Establishment Order No. 405 of 29th November 1999 under Executive Agencies Act No.30 of 1997, the Agency has the following responsibilities:

- i. The functions of the Agency are to deliver public good services and tailor-made services as follows:-In relation to weather and climate matters, to implement the National Transport, Communications and Meteorology Policy;
- ii. To provide meteorological services for International air navigation on behalf of the United Republic of Tanzania as designated meteorological authority and according to Technical Regulations Vol. II. ([C.3] 2.1.4) of the World Meteorological Organization and Annex 3 (2.1.4) of the International Civil Aviation Organization.
- iii. To organize and administer efficient networks of surface and upper air stations necessary to capture accurate records of the weather and climate conditions of the United Republic of Tanzania;
- iv. Observe, collect, archive and disseminate weather, climate and related information for the United Republic of Tanzania;
- v. Take part in global exchange of weather, climate and related data and products for the safety of humankind and to enhance the understanding of the global atmosphere;
- vi. To provide weather, climate services and warnings including Tsunami for the safety of life and property to the general public and to various users including aviation, agriculture and food security, water resources, disaster management, health and construction industry;
- vii. Carry out research and training in meteorology and climatology and in other related fields, and cooperate with other institutions where appropriate, for use in socio-economic development planning;
- viii. Participate in the activities of international organizations and programs, in particular the World Meteorological Organization (WMO) e.g. World Weather Watch (WWW), International Civil Aviation Organization (ICAO), Global Climate Observing System (GCOS), the Global Atmospheric Watch (GAW), Intergovernmental Panel on Climate Change (IPCC) and United Nation Framework Convention on Climate Change(UNFCCC).
- ix. Cooperate with other institutions concerned with issues related to climate variability, climate change and environment;

- x. Participate in activities dealing with meteorology under Regional Organizations e.g. Southern African Development Community (SADC) and East African Community (EAC);
- xi. Publish weather and climatological summaries, bulletins and other interpreted products
- xii. Collect fees and charges for data, products and services rendered; and
- xiii. Carry out any other function as the Minister may direct.

7. CORPORATE GOVERNANCE

The Agency adheres to good corporate governance principles; where segregation of duties is given paramount importance. Effective internal control systems have been put in place and are operating efficiently. The Agency has an Internal Audit unit, which is charged with the responsibility of advising the Director General on areas of internal control, Risk Management, Governance, budgets review, financial statements and making follow up of external audit reports' findings.

The Agency has budget Committee whose responsibility is to ensure budget is in place and implemented effectively. The Agency adheres to budget guidelines as provided by the Ministry of Finance for each year. Other issues considered in the Budget preparation include implementation of Five Years Development Plan II, Ruling party manifesto and priority issues raised by the Divisions and sections. During the period under review Business Plan and Budget for FY 2016/2017 was prepared and approved by MAB, Annual Action Plan was prepared to ensure timely implementation of TMA activities. Monitoring of TMA budget conducted to ensure TMA programmes budgeted are implemented effectively. Midyear budget review and budget reallocation conducted so that important interventions established get resources and implemented effectively despite the challenge of insufficient flow of fund.

The Agency has an Audit Committee whose function is oversight role. The Audit Committee establishment is in accordance with the circular guideline from Treasury and in accordance with the Public Finance Act 2001(R.E 2004). Currently, the Agency has four Audit Committee members. During the Financial year 2016/2017 the committee held four meetings while for the previous year 2015/16, four meetings were conducted. The Committee reports to the Director General on the matters discussed on each meeting.

The committee's duties and functions include oversight role on advising Management on the overall internal control system effectiveness, Risk management and governance. Other functions include reviewing internal audit reports and external audit reports. And Review of financial statements and commend them for approval by the Board.

Members of the committee are:

- | | | |
|----------------------------|---|-----------|
| 1. Dr. Hamza A Kabelwa | - | Chairman |
| 2. Dr. Ladslaus B. Chang'a | - | Member |
| 3. CPA Robert Lugundu | - | Member |
| 4. Dr. Pascal F. Waniha | - | Secretary |

8. MANAGEMENT

Director General is responsible for the operations and supervision of day-to-day activities of the Agency. The Agency is structured under the five divisions, which are headed by directors,

1. Director General Division
2. Forecast Services Division
3. Support Services Division
4. Research and Applied Division
5. Infrastructure and technical services Division

Since TMA is the union institution, it has an office at Zanzibar headed by Director who reports to the Director General and represents Weather and Climate issues in the Revolutionary Government of Zanzibar. Under these divisions there are units and sections that are headed by managers.

9. EMPLOYEE WELFARE

The Agency believes that its employees should find working at TMA as an inspiring and personally elevating experience, and consequently accepts co-responsibility for the development of each employee to his/her full potential. Career progress is based on the individual initiative towards the fulfilment of their responsibilities complemented by the Agency. This encompasses individual commitment towards innovative thinking and professional expertise resulting to a reward.

The Agency is convinced that equal opportunities for all, irrespective of gender, disability or religion, should be pursued. The Agency accepts that only through total commitment, loyalty and dedication of its employees to achieve its goal. The Agency provides various benefits to staff such as long service awards for retiring employees, best worker rewards, health care services, and sports bonanza.

TMA employees are members of Public Service Pensions Fund (PSPF) and National Social Security fund (NSSF). The Agency contributes 15% of basic salary of each employee to PSPF on behalf of all permanent employees and 10% of basic salary to NSSF for each operational staff. The Agency complies with Government health benefit plan where contributions are paid to the National Health Insurance Fund (NHIF), employer and each employee contributes 3% of gross salary. The Agency also guarantees its employees to have access to staff loans at various financial institutions in order to improve their welfare.

10. STATEMENT OF AGENCY'S RESPONSIBILITIES

The Executive Agencies Act No 30 of 1997 requires every Agency to prepare financial statements for each financial year, as at the end of the financial period that are free from material misstatement.

Moreover, this legal requirement has been further emphasized in the Public Finance Act 2001 (R. E 2004) and National Audit Act 2008.

The Ministerial Advisory Board (MAB) confirms that TMA continue with the adoption of IPSAS in the preparation of financial statements. Suitable accounting policies have been used and reasonable prudent judgement and estimates have been made in the preparation of the financial statements for the year ended 30 June 2017. The Agency also confirms that the financial statements have been prepared on the going concern basis.

The Ministerial Advisory Board is responsible to ensure the Agency has a proper keeping of accounting records which disclose with reasonable accuracy at any time the financial position of the Agency and which enable them to ensure that the financial statements comply with the Act, IPSASs and NBAA pronouncements. They are also overseer of safeguarding the TMA assets and to ensure the Management has taken reasonable steps for the prevention and detection of fraud, error and other irregularities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

MAB also received and endorsed Annual Procurement Plan for FY 2016/2017 to guarantee that they are reflected in accordance with the Public Procurement Act No. 7 of 2011 and its Regulations No. 446 of 2013.

11. FINANCIAL POSITION AND PERFORMANCE

The financial position of the Agency has been improved particularly due to revaluation of non- current assets as evidenced in the analysis below:

	2016/2017	2015/2016
Non-current assets (TZS billion)	14.2	15.2
Current assets (TZS billion)	3.0	2.0
Working capital (Current assets – current Liabilities (TZS billion)	2.5	1.1
Cash and cash equivalent (TZS billion)	0.93	0.4
Equity(TZS billion)	13.2	11.6

12. RISK MANAGEMENT AND INTERNAL CONTROL

The Agency has adopted implementation of risk management framework in accordance with ISO 31000:2009. Risk Management process in the Agency involves risk identification assessment, manage, and control potential situations to provide reasonable assurance regarding the achievement of the Agency's objectives. Every individual within the Agency is

required to understand risk inherent at his/her place of work. Risk assessment responsibility rests with Internal Audit Unit. The internal audits activities include evaluate the effectiveness and contribute to the improvement of risk management processes in the Agency. Effective internal control is maintained through ensuring that there is segregation of duties and enhancing oversight systems. The Agency Audit and Risk Management Committee is in charge of the overall risk management.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risk to the achievement of Division policies, aims and objectives, to evaluate the likelihood of those risk being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Agency for the year ended 30 June 2017 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

13. RELATED PARTY TRANSACTIONS

The Ministry of works, Transport and communication (MoWTC) as the Tanzania Meteorological Agency's parent Ministry is regarded as a related party. During the year, TMA had material transactions with this Ministry and with other entities for which MoWTC is regarded as the parent Ministry. In addition, TMA had material transactions with a number of other public bodies, Government departments and its Agencies, principally; VPO- Department for Environment, the Tanzania Civil Aviation Authority, the Tanzania Airport Authority, Kilimanjaro International Airport Development Company, Ministry of Water, and Prime Minister's Office-Disaster Management Department, Institute of Water Resources and the University of Dar es Salaam.

Details of related party transactions are shown in notes to the financial statements.

14. COOPERATE SOCIAL RESPONSIBILITY

During the year under review, the Agency had not conducted any social activity responsibility.

15. IMPLEMENTATION OF THE BUSINESS PLAN AND BUDGET 2016/17

During the period under review, the Agency has implemented various activities. The status of implementation of some activities implemented include:-

- i. Through CIRDA project, the Agency has installed 20 Automatic weather stations that has increased availability of meteorological data.
- ii. TMA through its instruments workshop has fabricated some of meteorological instruments include 14 Stevenson screens, 6 evaporation pans, 1 anemometer mast and 200 standard rain gauges.
- iii. The Agency has undertaken various measures to increase revenue to cater for the need of operational running costs and investments that resulted into an increase of revenue for

- 14.79% (TZS 8,866,998,350/= for FY 2016/17 compared to TZS. 7,724,314,305/=for 2015/16).
- iv. To ensure meteorological data communication, eight (8) meteorological stations have been connected to optic fibre.
 - v. International Auditing on QMS conducted from 28th November to 2nd December 2016 where no any non-conformity was observed and TMA managed to maintain ISO 9001:2008 Certification in the provision of aeronautical meteorological services.
 - vi. The Agency commenced provision of marine weather services over the Lake Tanganyika. Furthermore, TMA has accomplished office renovation for provision of marine weather briefing services at Pemba Port.
 - vii. Capacity building to staff enhanced to meet the WMO/ICAO standards which require aeronautical meteorological staff providing services to aviation industry to have at least first degree in Meteorology.
 - viii. The National Meteorological Training Centre (Kigoma) continued to offer meteorological studies for basic certificates and Diploma level, whereby 57 students graduated and 42 students enrolled.
 - ix. The Agency continued to maintain meteorological and telecommunication equipment including RETIM satellite receivers, AFTN, SYNERGIE, AMESD PUMA, weather radars, computer cluster to ensure they are operational.
 - x. During the period under review, the Agency received unqualified opinion from Controller and Auditor General for the financial statements of 2015/16. The Agency has accomplished the process of migrating to new accounting system (EPICOR 9) from (EPICOR 7) and a financial statement for 2016/17 is submitted to CAG for Auditing.
 - xi. The Agency issued warnings on severe weather events whenever weather elements indicated the existence of severe weather events like strong winds, heavy rainfall and large waves that has improved human safety and their properties as well as efficient transport system on the Indian Ocean.
 - xii. TMA has continued to implement outreach activities to raise awareness of the community regarding the importance and benefits of weather and climate in socio-economic development with the aim of reducing disaster risks caused by weather hazards such as floods, drought and strong winds.

16. FUTURE PLANS OF THE AGENCY

- i. Procurement of one weather Radar that will improve weather forecast especially on severe weather events.
- ii. Improving quality of meteorological services provided to air transport and start the process of migrating from (ISO 9001:2008) to (ISO 9001:2015).
- iii. Commencing marine weather services at Pemba Port to ensure safety and efficient marine weather transportation and other maritime activities include fishing, oil and gas exploration.
- iv. Acquisition of modern meteorological instruments with emphasis on replacing mercury based instruments to comply with Minamata Convention on Mercury 2013 that prohibited the use of mercury instruments for environment protection by 2020.
- v. Resource mobilization strategy will be implemented by establishing new sources of revenues and review existing sources to ensure availability of resources to meet meteorological investment and operational running cost.

- To promote and increase capacity of Kigoma Meteorological Training Centre for professional training in meteorology and improving its infrastructure include classrooms, dormitories, and landscaping and administration block.
- Meteorological infrastructure will be improved whereby rehabilitation of five (5) stations will be conducted.
- The Agency will continue to conduct research on climate and climate change to ensure the development of various sectors.
- Enhancement of human resources capacity in meteorology to meet WMO/ICAO competency requirement that need a personnel providing aeronautical meteorological services to have at least BSc. In Meteorology by 2016.
- To raise awareness and sensitization the public and other stakeholders on use of weather and climate for safety and socio economic benefit.

17. CONSTRAINTS AND CHALLENGES

- Inadequate Station network.
- Need for replacing mercury-based instruments
- Insufficient meteorological equipment and instruments.
- Insufficient skilled staff and need to improve Kigoma Training Centre.
- Lack of own building for Central Forecasting Office:
- Inadequate Climate change monitoring equipment and research
- Insufficient allocated fund.

18. DISADVANTAGED GROUPS

Disadvantaged groups have equal opportunities and every assistance is being provided to enable them work comfortably. Policies exist to maintain gender balance based on qualifications and ability. HIV/AIDS policy also exists and the agency assists morally and materially employees who are proved to be positive. The Agency has in place both a gender and HIV/Aids committees.

19. AUDITORS

The Controller and Auditor-General (CAG) is the statutory auditor for the Agency pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2000), and Sects. 26 -37 of the Public Finance Act No 6 of 2001 (revised 2004) and Public Audit Act No.11

Approved by the Ministerial Advisory Board on27th.....day of9.....2017
and signed on its behalf by:

.....
MAB CHAIRMAN

.....
MAB MEMBER

Date: 27/09/2017

MINISTERIAL ADVISORY BOARD RESPONSIBILITY

The Board is responsible for the receiving and endorsing financial statements for the year ended 30th June 2017 in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Standards Board (IPSASB), NBAA pronouncements, and requirements of the Ministerial Establishment Order No. 405 of 29th November 1999 under Executive Agencies Act No.30 of 1997. The Board is Main overseer to guarantee presence of proper internal control systems within the Agency to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Members accept responsibility for these financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with IPSAS, NBAA pronouncements, and in a manner required by the Establishment Order and Executive Agencies Act No 30 of 1997. The Board is of the opinion that financial statements give a true and fair view of the state of the financial affairs of TMA and its operating results. The Board further accepts responsibility for the maintenance of accounting records, which may be relied upon the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Board to indicate that TMA will not remain a going concern for at least the next twelve months from the date of this statement.

Approved by the Ministerial Advisory Board on27th.....day of9.....2017 and signed on its behalf by:


.....
MAB CHAIRMAN


.....
MAB MEMBER

Date: 27/09/2017

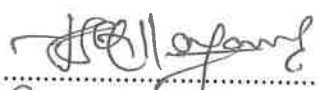
**DECLARATION BY HEAD OF FINANCE/ACCOUNTING OF TANZANIA
METEOROLOGICAL AGENCY**

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

It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity financial position and financial performance in accordance with International Public Sector Accounting Standards, NBAA Pronouncements, and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body as under Directors Responsibility statement on an earlier page.

I Yona S. Killagane having reviewed the financial statements of Tanzania Meteorological Agency hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June 2017 have been prepared in compliance with applicable accounting standards, NBAA Pronouncements, and statutory requirements.

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

Signed by: 
Position: Reviewer
NBAA Membership No.: AC 387
Date: 28/09/2017


Tanzania Meteorological Agency
Statement of Financial Position
as at 30th June 2017

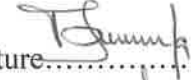
ASSETS	Notes	30.06.2017 TZS	30.06.2016 TZS
Current Assets			
Cash and Bank Balances	1	929,387,304	377,679,188
Debtors and Prepayments	2	1,918,858,452	1,545,561,734
Stocks and Supplies	3	56,794,149	96,092,725
Total current assets		2,905,039,905	2,019,333,647
Non-Current Assets			
Intangible Assets	4	72,022,595	61,256,962
Work in Progress	5	237,253,308	237,253,308
Property, Plant and Equipment	6	13,978,435,907	14,894,637,412
Total Non Current Assets		14,287,711,810	15,193,147,682
TOTAL ASSETS		17,192,751,715	17,212,481,328
LIABILITIES			
Current Liabilities			
Creditors and Accruals	7	519,085,566	871,669,633
Total Current Liabilities		519,085,566	871,669,633
Non-Current Liabilities			
Deferred Government Grant	8	2,961,665,611	3,224,091,677
Deferred Donor Grants	9	437,997,315	1,508,279,736
Total Non-Current Liabilities		3,399,662,926	4,732,371,413
Total Liabilities		3,918,748,492	5,604,041,046
NET ASSETS		13,274,003,223	11,608,440,282
NET ASSETS ATTRIBUTABLE TO THE OWNERS			
Capital reserves		3,601,913,150	3,601,913,150
Accumulated Surplus		9,672,090,073	8,006,527,132
TOTAL NET ASSETS		13,274,003,223	11,608,440,282

Notes on pages 1 to 26 are an integral part of these financial statements

The financial statements on pages 11 to 44 were authorised for issue by the Ministerial Advisory Board

On..... and were signed by:

Signature 
Dr. Eng. James L. Ngeleja
MAB CHAIRMAN

Signature 
Dr./Mr./Ms. Col M M Mawaji
MAB MEMBER


**Tanzania Meteorological Agency
Statement of Financial Performance
for the year ended 30th June 2017**


	Notes	30.06.2017 TZS	30.06.2016 TZS
Revenue			
Revenue from non-exchange transaction			
Amortisation of Government Grant	8	11,271,424,533	12,603,182,069
Amortisation of Donors Grants	9	2,519,344,671	1,421,404,311
Revenue from exchange transaction			
Fees and Charges	10	8,866,998,350	7,724,314,305
Other Income	11	38,497,032	68,213,909
Total Revenue		22,696,264,585	21,817,114,594
Expenditures			
Staff costs	12	13,320,382,372	13,198,224,719
Administration costs	13	7,283,492,383	7,520,307,184
Maintenance costs	14	393,056,058	594,350,445
Finance costs	15	33,770,832	32,422,700
Total Expenses		21,030,701,645	21,345,305,048
Surplus/(Deficit)		1,665,562,940	471,809,546

Notes on pages 30 to 44 are an integral part of these financial statements

The financial statements on pages 11 to 44 were authorised for issue by the Ministerial Advisory Board

On..... and were signed by:

Signature 
 Dr. Eng. James L. Ngeleja
 MAB CHAIRMAN

Signature 
 Dr./Mr./Ms. Col M M Mwayi (RTD)
 MAB MEMBER

**Tanzania Meteorological Agency
Statement of Cash Flows
for the Year Ended 30th June 2017**

	Notes	30.06.2017 TZS	30.06.2016 TZS
CASH FLOWS FROM OPERATING ACITIVITIES			
RECEIPTS:			
Government Grants	8(a)	11,008,998,466	12,340,756,002
Donor Grants	9(a)	1,449,062,250	2,549,291,718
Fees and Charges	10(a)	8,493,701,632	7,160,326,150
Other Income	11	27,812,483	68,213,909
TOTAL RECEIPTS		20,979,574,831	22,118,587,779
PAYMENTS:			
Staff costs	12	13,320,382,372	13,198,224,719
Administrative costs	13(a)	6,074,127,828	6,802,047,766
Maintenance Costs	14	393,056,058	594,350,445
Finance costs	15	33,770,832	24,893,771
TOTAL PAYMENTS		19,821,337,090	20,619,516,701
Net cash flows from operating activities	A	1,158,237,741	1,499,071,078
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase/(Decrease) in Work in Progress		-	-
Acquisition of Property Plant and Equipment		(617,214,175)	(1,706,792,268)
Net Cash Flows From Investing Activities	B	(617,214,175)	(1,706,792,268)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Cash Flows From Financing Activities	C	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	A+B+C	541,023,566	(207,721,190)
Cash and cash equivalents at the beginning of the financial year		377,679,188	592,929,307
Effects of currency translation on Cash and Cash equivalents	11(a)	10,684,550	(7,528,929)
Cash and Cash Equivalents at the End of the Financial Year		929,387,304	377,679,188

Notes on pages 30 to 44 are an integral part of these financial statements

The financial statements on pages 11 to 44 were authorised for issue by the Ministerial Advisory Board on and were signed by:

Signature.....
Dr.....
MAB CHAIRMAN

Signature.....
Dr./Mr./Ms.....
MAB MEMBER


Tanzania Meteorological Agency
Statement of Changes in Net Assets
for the year ended 30th June 2017


	Capital Reserve	Accumulated Surplus	TOTAL
	TZS	TZS	TZS
Balance at 30 June 2016	3,601,913,150	8,006,527,132	11,608,440,282
Surplus/Deficit during the year		1,665,562,940	1,665,562,940
Balance at 30 June 2017	3,601,913,150	9,672,090,072	13,274,003,222
Balance at 30 June 2015	3,601,913,150	7,534,717,586	11,136,630,736
Surplus/Deficit during the year		471,809,546	471,809,546
Balance at 30 June 2016	3,601,913,150	8,006,527,132	11,608,440,282

Notes on pages 30 to 44 are an integral part of these financial statements

The financial statements on pages 11 to 44 were authorised for issue by the Ministerial Advisory Board

on and were signed on by:

Signature: 
 Dr. Prof. James L. Ngeleja
 MAB CHAIRMAN

Signature: 
 Dr./Mr./Ms. M. M. Msuya (AD)
 MAB MEMBER

**TANZANIA METEOROLOGICAL AGENCY (TMA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1. General Information

Tanzania Meteorological Agency (TMA) was established as an Executive Agency under the Executive Agencies Act No. 30 of 1997 through a Ministerial Establishment Order No 405 of 29th November 1999. The Agency is under the Ministry of Transport. The operation of the Agency is vested on the Ministerial Advisory Board appointed by the Minister of Transport for term of three years. The day to day running of the affairs of the Agency is on the Director General. The head office of TMA is located at Ubungo Plaza, 3rd Floor, along Morogoro Road, Dar es Salaam.

Principal activities

The primary activities of the Agency are:

- Provision and regulation of meteorological services for the United Republic of Tanzania (URT).
- To organize and manage surface and upper air observations networks and accurately record the climate conditions of the URT from the stations and archive them for future operational and research purposes.
- To issue and disseminate forecasts and other weather information such as warnings, etc for the safety of life and property, to targeted users and the general public.
- To provide meteorological services to the infrastructure sector and other sectors of the economy.
- To meet URT international obligations, i.e. Global exchange of meteorological data and products and for fulfilling international obligations such as WMO convention, ICAO convention and those related to climate change.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Tanzanian Shillings (TZS) and all values are rounded to the nearest Shilling.

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

Statement of compliance

The financial statements of the Agency have been prepared in accordance with Accrual basis International Public Sector Accounting Standards (IPSAS).

SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been adopted for the preparation of the financial statements:

(a) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Agency are measured using the currency of the primary economic environment in which the Agency operates (“the functional currency”). The financial statements are presented in Tanzanian Shillings (TZS), which is the Agency’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into Tanzanian Shillings using exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from settlement of such transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance.

(b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Agency and revenue can be reliably measured.

Revenue from non-exchange Exchange transaction

Grants from Government and Donors

Funds received and due from the government and Donors are credited to the deferred account. When services are delivered and the conditions attached to the funds are met, the contribution is recognised as revenue in the statement of financial performance equivalent to the extent of the expenses incurred for the year. Where the contribution relate to capital expenditures, it is recognised as revenue in the Statement of financial performance on a straight-line basis over the estimated useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Agency with no future related costs are recognised in the statement of financial performance in the period in which they become receivable. Non-exchange transactions are measured at fair values.

Revenue from Exchange Transactions

Revenue shall be measured at the fair value of the consideration received or receivable.

Recognition:

From sale of goods:

When significant risks and rewards have been transferred to purchaser, loss of effective control by seller, amount of revenue can be reliably measured, it is likely that the economic benefits or service potential associated with the transaction will flow to the entity, and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

From rendering of services:

Reference to the stage of completion of the transaction at the reporting date provided the outcome of the transaction can be estimated reliably. If the outcome of the transaction cannot be estimated reliably, revenue must be recognized only to the extent of the expenses recognized that are recoverable.

For interest, royalties, dividends, and rent income:

Recognized when it is probable that economic benefits or service potential will flow to the entity, and the amount of the revenue can be measured reliably.

- Interest — on a time proportion basis that takes into account the effective yield on the asset.
- Royalties — as they are earned in accordance with the substance of the relevant agreement.
- Dividends or their equivalents — when the shareholder’s or the entity’s right to receive payment are established.

(c) Rental income

Rental income from investment properties is recognised on a straight-line basis over the term of the relevant lease.

(d) Cash and cash equivalents

Cash and bank balances in the statement of financial position comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, and are measured at amortised cost. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(e) Property, plant and equipment

The assets in property, plant and equipment are initially recognized at cost or fair value. The cost of the asset is measured at the cash prize equivalent at the date of acquisition. The costs which can be directly attributed to bringing the asset to the location and condition necessary for it to be used in its intended manner excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of any replacement parts in accordance with the related recognition criteria.

Subsequent to the initial recognition of an item of property, plant and equipment, the item is measured at cost model. The asset is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated on a straight-line basis over the useful life of the assets. The annual rates of depreciation which have been consistently applied are:

Description	Rate (%)
Buildings and Structures	2
Motor Vehicles	25
Meteorological Equipment	10
RADAR	7
Communications Equipment	7
Furniture and Fittings	10
Office Equipment	20
Computers	20
Household Appliances	10
Books and Library	25
Software	33 1/3

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of financial performance in the year the asset is derecognised. The residual values, useful lives and methods of depreciating property, plant and equipment are reviewed, and adjusted if appropriate, at each financial year-end. When each major inspection is performed, its cost is recognised in the carrying amount of property, plant and equipment as a replacement if the recognition criteria are satisfied.

Capital work in progress

Capital work in progress related to the construction of the new Agency's infrastructure and is included in property and equipment at cost on the basis of the percentage completed at the statement of financial position date. The capital work in progress is transferred to the appropriate asset category and depreciated when construction of the asset is completed and is available for its intended use.

(f) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in the statement of financial performance for the period in which they arise.

(g) Non-current assets held for sale

Non-current assets and disposal group are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal group) classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

(h) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the amortisation process.

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are recognised in surplus or deficit in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(j) Consolidated Financial Statements

TMA shall prepare consolidated financial statements when it controls one or more other entities in accordance with IPSAS 35. Consolidated financial statements shall include all controlled entities. Control is based on whether an investor has 1) power over the other entity; 2) exposure, or rights, to variable benefits from its involvement with the other entity; and 3) the ability to use its power over the other entity to affect the nature or amount of the benefits.

Consolidated financial statements are the financial statements of an economic entity in which the assets, liabilities, net assets/equity, revenue, expenses and cash flows of the controlling entity and its controlled entities are presented as those of a single economic entity.

Intra-economic entity balances, revenue, expenses and cash flows are eliminated in full and all members of in the economic entity shall use the same accounting policies and, if practicable, the same reporting date. Otherwise, appropriate adjustments should be made to ensure conformity with the TMA's accounting policies.

Non-controlling interests shall be reported within net assets/equity in the consolidated statement of financial position, separately from the net assets/equity of the owners of the controlling entity.

Surplus or deficit and each gain or loss recognized directly in net assets/equity to TMA and to the non-controlling interests.

TMA shall also attribute the total amount recognized in the statement of changes in net assets/equity to the owners of the controlling entity and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Partial disposal of an investment in a controlled entity while control is retained is accounted for as a net assets/equity transaction with owners, and no gain or loss is recognized in surplus or deficit. Acquisition of a further ownership interest in a controlled entity after obtaining control is accounted for as a net assets/equity transaction and no gain or loss is recognized.

Partial disposal of an investment in a controlled entity that results in loss of control triggers re-measurement of the residual holding to fair value. Any difference between fair value and carrying amount is a gain or loss on the disposal, recognized in surplus or deficit. Thereafter, IPSAS 36 or IPSAS 29 is applied, as appropriate, to the residual holding.

(k) Associates and Joint Ventures

TMA shall account for investments in Associates and Joint Ventures by the equity method where TMA. An investment in an associate or a joint venture accounted for using the equity method shall be classified as a non-current asset. Under the equity method, the investment is initially recognized at cost. It is subsequently adjusted by the investor's share of the investee's post acquisition change in net assets. Associates and joint venture's accounting policies and accounting dates shall be the same as those of TMA. When presenting 'separate financial statements' as defined in IPSAS 34, TMA shall account for the investment either at cost, in accordance with IPSAS 29, or using the equity method as described in IPSAS 36.

Impairment is tested in accordance with IPSAS 21 or IPSAS 26. The impairment indicators in IPSAS 29 are applied. An investment in an associate or joint venture is treated as a single asset for impairment purposes.

(l) Joint Arrangement

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets of the arrangement.

Joint operations: TMA recognizes the assets it controls, and expenses and liabilities it incurs, and its share of revenue earned, in both its separate and consolidated financial statements.

Joint ventures: TMA shall apply the equity method.

(m) Intangible assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated Intangibles assets shall not be recognized as an asset and all research costs are charged to expense when incurred.

The useful lives of Intangible assets are assessed to be finite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment on an annual basis. If recoverable amount of a cash-generating asset or recoverable service amount of a non-cash-generating asset is lower than the carrying amount, an impairment loss is recognized. Subsequently the measurement of an Intangible asset of TMA shall be carried at a revalued amount being its fair value at the date of revaluation less any accumulated amortization

The amortisation period and the amortisation methods for an intangible asset are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets is accounted for by changing the amortisation period or method, as appropriate and treated as changes in accounting estimates.

The amortisation expense on intangible assets is recognised in the statement of financial performance. Gain or Losses arising from de-recognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(n) Impairment

(i) Impairment of Non-Cash-Generating Assets

Non-cash-generating assets are assets other than cash-generating assets. Cash-generating assets are assets held with the primary objective of generating a commercial return. An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount. An impairment loss shall be recognized immediately in surplus or deficit. Recoverable service amount is the higher of a non-cash-generating asset's fair value, less costs to sell and its value in use. Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following three approaches, and depends on the availability of data and the nature of the impairment:

- Depreciated replacement cost approach
- Restoration cost approach
- Service units approach; whichever is lower

At each reporting date, a review of assets to assess for any indication that an asset may be impaired is carried out. If impairment is indicated, an estimate recoverable service amount is made. TMA assesses at each reporting date whether there is any indication that an impairment loss recognized in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, TMA estimates the recoverable service amount of that asset. An impairment loss recognized in prior periods for an asset shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. That increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of depreciation or amortization) if no impairment loss had been recognized for the asset in prior periods.

A reversal of an impairment loss for an asset is recognized immediately in surplus or deficit.

After a reversal of an impairment loss is recognized, the depreciation (amortization) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Re-designation of Assets

The re-designation of assets from cash-generating assets to non-cash generating assets or from non-cash-generating assets to cash-generating assets shall only occur when there is clear evidence that such a re-designation is appropriate. A re-designation, by itself, does not necessarily trigger an impairment test or a reversal of an impairment loss. Instead, the indication for an impairment test or a reversal of an impairment loss arises from, as a minimum, the listed indications applicable to the asset after re-designation.

(ii) Impairment of cash-generating assets

TMA assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset is made.

Irrespective of whether there is any indication of impairment, tests are conducted for an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test may be performed at any time during the reporting period, provided it is performed at the same time every year.

If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss is recognized immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the asset to which it relates, an entity shall recognize a liability. After the recognition of an impairment loss, the depreciation (amortization) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

If there is any indication that an asset may be impaired, the recoverable amount shall be estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, determination of the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit) shall be made.

(o) Financial Instruments (financial assets/liabilities).

Initial Recognition

TMA recognizes a financial asset or a financial liability in its statement of financial position when, and only when, the Agency becomes a party to the contractual provisions of the instrument.

Initial Measurement of Financial Assets and Financial Liabilities

A financial asset or financial liability is recognized initially, by measuring its fair value plus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent Measurement of Financial Assets

Financial asset after initial recognition will be classified and measured into the following four categories:

- a. Financial assets at fair value through surplus or deficit – measured at fair value with gain or loss recognized to surplus and deficit;
- b. Held-to-maturity investments – measured at amortized cost using the effective interest method;
- c. Loans and receivables – measured at amortized cost using the effective interest method; and
- d. Available-for-sale financial assets – measured at fair value with gain or loss recognized directly in net assets/equity through the statement of changes in net assets/equity

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that is linked to and must be settled by delivery of such unquoted equity instruments, shall be measured at cost.

Subsequent Measurement of Financial Liabilities

After initial recognition, all financial liabilities will be measured at amortized cost using the effective interest method, except for those categorized as financial liabilities at fair value through surplus or deficit which shall be measured at fair value with gain or loss recognized in surplus and deficit.

Impairment and Uncollectibility of Financial Assets

At the end of each reporting period an assessment is made on whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exists impairment is carried out.

For Financial Assets Carried at Amortized Cost that is on loans and receivables or held-to-maturity investments, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in surplus or deficit. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the

date the impairment is reversed. The amount of the reversal shall be recognized in surplus or deficit.

For Financial Assets Carried at Cost, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses shall not be reversed.

For Available-For-Sale Financial Assets, the cumulative loss that had been recognized directly in net assets/equity shall be removed from net assets/equity and recognized in surplus or deficit even though the financial asset has not been derecognized. Impairment losses recognized in surplus or deficit for an investment in an equity instrument classified as available for sale shall not be reversed through surplus or deficit. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in surplus or deficit, the impairment loss shall be reversed, with the amount of the reversal recognized in surplus or deficit.

De-recognition of financial instruments

Financial asset will be derecognized when, and only when: (a) The contractual rights to the cash flows from the financial asset expire or are waived; or (b) a financial asset is transferred in accordance with IPSAS 29. Financial liability (or a part of a financial liability) shall be removed from its statement of financial position when, and only when, it is extinguished – i.e., when the obligation specified in the contract is discharged, waived, cancelled or expires.

(p) Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. They include relationship with subsidiaries, associates, joint ventures and key Management personnel. For TMA, key management include; Members of the Ministerial Advisory Board, Members of the Audit Committee, Director General, Directors; Managers and their close relatives. Some of the Agency's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements.

(q) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Agency as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Agency's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Agency's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating

and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Agency as lessee

Assets held under finance leases are recognised as assets of the Agency at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to statement of financial performance, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Agency's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged as an expense to the statement of financial performance on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

(r) Inventories

Inventories are measured at the lower of cost and net realisable value. Where inventories are acquired through a non-exchange transaction, their cost shall be measured as their fair value as at the date of acquisition. However, inventories are required to be measured at the lower of cost and current replacement cost where they are held for:

- Distribution at no charge or for a nominal charge
- Consumption in the production process of goods to be distributed at no charge or for a nominal charge

Costs include all purchase cost, conversion cost (materials, labour, and overhead), and other costs to bring inventory to its present location and condition, but not foreign exchange differences and selling costs. Trade discounts, rebates, and other similar items are deducted in determining the costs of purchase.

For inventory items that are not interchangeable, specific costs are attributed to the specific individual items of inventory.

TMA applies the same cost formula for all inventories having similar nature and use; a difference in geographical location of inventories by itself is not sufficient to justify the use of different cost formulas.

For interchangeable items, cost is determined on either a first-in, first-out basis. For inventories with a different nature or use, different cost formulas are used. When inventories are sold, exchanged, or distributed, the carrying amount is recognized as an expense in the period in which the related revenue is recognized. If there is no related revenue, the expense is recognized when the goods are distributed or related services have been rendered.

Write-downs to net realisable value are recognized as an expense in the period the loss or the write-down occurs. Reversals arising from an increase in net realisable value are recognized as a reduction of the inventory expense in the period in which they occur.

(s) Provisions

Provisions are recognised when the Agency 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 will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Agency expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in surplus or deficit net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(t) Employment benefits

The Agency operates defined contribution plans. Employees are members of Public Sector Pensions Fund (PSPF) and National Social Security Fund (NSSF). The Agency contributes 15% of basic salary of each permanent and pensionable employee to PSPF or 10% of the basic salary for other employees to NSSF. The Agency operates insured (health benefit) plan where contributions are paid to the National Health Insurance Fund (NHIF), both the employer and employee contribute 3% of basic salary.

(u) Capital Reserve

The Capital Reserve amounting TZS 3,601,913,150.00 represents part of Net Assets and Liabilities so far identified and taken over by the Agency during its inception.

(v) Taxes

The Agency is exempt from all taxes except value added tax. Thus no provision is made for deferred taxation.

Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation Agency, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation Agency is included as part of receivables or payables in the statement of financial position.
- Events after reporting period.
Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:
 - Those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
 - Those which are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

(w) Presentation of budget information in financial statements

The financial statements are prepared on an accrual basis IPSAS whereas the budget is prepared on cash basis and is approved by the Parliament. Actual amount spent is adjusted from the presented accrual based IPSAS financial statements of the Agency.

TANZANIA METEOROLOGICAL AGENCY

NOTES ON THE ACCOUNTS

NOTE 1: CASH AND BANK BALANCES	2016/2017	2015/2016
	TZS	TZS
TMA BADEA Tech. Ass. Project	-	346,886
TMA Development Account	-	-
TMA AAP Bank Account	-	4,381,957
Expenditure Bank Account	87,265,040	96,441,775
Revenue Bank Account	27,841,712	48,925,990
Forex (USD) Revenue Bank Account	495,425,855	267,323
Expenditure Bank Account - Pemba	9,950,841	7,674,608
Expenditure Bank Account - Arusha	1,333,198	1,110,327
Expenditure Bank Account - Kigoma	52,149,688	33,756,978
Expenditure Bank Account - Dodoma	334,053	874,040
Expenditure Bank Account - Mwanza	2,795,417	2,131,330
Expenditure Bank Account - KIA	42,981	20,566,845
Expenditure Bank Account - Mbeya	3,034,241	243,120
Expenditure Bank Account - Morogoro	2,513,343	3,859,499
Expenditure Bank Account - Iringa	3,717,029	3,490,442
Expenditure Bank Account - Shinyanga	312,879	8,577,603
Expenditure Bank Account - Mtwara	3,579,273	4,746,045
Expenditure Bank Account - Tabora	5,361,349	442,749
Expenditure Bank Account - Bukoba	2,667,604	998,012
Expenditure Bank Account - Sumbawanga	1,256	947,805
Expenditure Bank Account - Singida	10,089,580	8,957,754
Expenditure Bank Account - Musoma	1,043,172	1,610,051
Expenditure Bank Account - Moshi	6,884,092	26,446,965
Expenditure Bank Account - Mahenge	14,873,762	11,910,762
Expenditure Bank Account - Tanga	6,985,836	2,529,272
Expenditure Bank Account - Songea	764,817	2,063,817
Expenditure Bank Account - Zanzibar	9,244,844	7,152,532
BOT Revenue Collection Bank Account(TZS)	35,867,130	17,894,148
BOT Revenue Collection Bank Account(USD)	145,308,313	59,330,553
TOTAL	929,387,304	377,679,188

**TANZANIA METEOROLOGICAL AGENCY
NOTES ON THE ACCOUNTS**

	2016/2017	2015/2016
	TZS	TZS
 NOTE 2: DEBTORS AND PREPAYMENTS		
Safari and Special Imprest	173,583,542	-
Staff Loan	145,158,989	217,116,982
Trade Debtors and prepayments	<u>1,600,115,921</u>	<u>1,328,444,752</u>
TOTAL	<u>1,918,858,452</u>	<u>1,545,561,734</u>
 NOTE 3: STOCKS AND SUPPLIES		
Stationery Stock	6,529,190	24,787,725
Meteorological Consumables Stock	34,174,513	38,063,305
Computer Supplies Stock	<u>16,090,446</u>	<u>33,241,695</u>
TOTAL	<u>56,794,149</u>	<u>96,092,725</u>
 NOTE 4 : INTANGIBLE ASSETS - SOFTWARE		
Balance b/d	61,256,962	88,058,525
Additions	34,992,192	2,310,000
Amortisation	<u>(24,226,559)</u>	<u>(29,111,563)</u>
Balance at the year end 30 th June	<u>72,022,595</u>	<u>61,256,962</u>

TANZANIA METEOROLOGICAL AGENCY
NOTES ON THE ACCOUNTS

	2016/2017	2015/2016
	TZS	TZS
NOTE: 5 WORK IN PROGRESS (W.I.P)		-
Balance at start	237,253,308	237,253,308
Additions	-	-
Total	237,253,308	237,253,308
Transfer to Asset	-	-
Balance at year end 30 June	<u>237,253,308</u>	<u>237,253,308</u>

TANZANIA METEOROLOGICAL AGENCY
NOTE 6: MOVEMENT OF FIXED ASSETS AS AT JUNE 30, 2017

DETAILS	BUILD & STRUCTURE	LAND	TELECOM EQUIP.	OBSEV. EQUIP	HOUSEHO LD APPL.	FURNT. & FITT.	OFF. EQUIP.	COMPUTER	MOTOR VEH.	BOOKS& LIBR.	PLANT & EQUIP	RADAR	TOTAL
Balance b/f	4,669,890,655	1,308,800,000	59,548,679	4,581,442,623	873,000	450,829,735	746,178,563	807,625,251	1,749,462,127	7,314,187	248,584,804	7,137,490,886	20,018,578,383
Total Additions (2016/17)	-	-	-	278,836,640	-	96,807,302	97,066,540	109,511,501	-	-	-	-	582,221,983
Total Cost	4,669,890,655	1,308,800,000	59,548,679	4,860,279,263	873,000	547,637,037	843,245,103	917,136,752	1,749,462,127	7,314,187	248,584,804	7,137,490,886	22,350,262,493
Acc. Deprec.b/f	651,840,807	-	30,810,215	1,279,842,750	704,834	366,521,546	587,425,290	595,685,631	1,601,624,657	6,099,853	248,161,882	1,504,685,633	6,873,403,098
Depreciation Expenses 2016/17	93,397,813	-	4,168,408	466,265,585	87,300	47,554,802	155,984,566	167,653,191	62,454,982	809,556	422,922	499,624,362	1,498,423,487
Acc. Depreciation to date	745,238,620	-	34,978,623	1,746,108,335	792,134	414,076,348	743,409,856	763,338,822	1,664,079,639	6,909,409	248,584,804	2,004,309,995	8,371,826,585
Net Book Value as at 30/06/2017	3,924,652,035	1,308,800,000	24,570,056	3,114,170,928	80,866	133,560,689	99,835,246	153,797,930	85,382,488	404,778	-	5,133,180,891	13,978,435,907
Net Book value as at 30/06/2016	4,018,049,848	1,308,800,000	28,738,464	3,304,599,873	168,166	84,308,189	158,753,273	211,939,620	147,837,470	1,214,334	422,922	5,632,805,253	14,894,637,412

NOTE: 6(a)

Some of the items of PPE including Motor Vehicles, Books, Plant and Equipment have depreciated fully although they are still in use.

TANZANIA METEOROLOGICAL AGENCY
NOTES ON THE ACCOUNTS

	2016/2017	2015/2016
	TZS	TZS
NOTE 7: CREDITORS AND ACCRUALS		
Trade creditors & Accrued Expenses	42,914,198	38,255,559
Other Creditors	474,969,368	738,723,964
Other Liabilities	<u>1,202,000</u>	<u>94,690,110</u>
TOTAL	<u>519,085,566</u>	<u>871,669,633</u>
 NOTE 8: DEFERRED GOVERNMENT GRANT		
Balance b/d on 01 July	3,224,091,677	3,486,517,744
Receipts during the year (note 8.a)	11,008,998,466	12,340,756,002
Amortised amount for other Expenses	(11,008,998,465)	(12,340,756,002)
Amortised amount for Depreciation of RADAR Mwanza	<u>(262,426,067)</u>	<u>(262,426,067)</u>
Balance c/f 30 June	<u>2,961,665,611</u>	<u>3,224,091,677</u>
 NOTE :8.a GOVERNMENT GRANT RECEIVED		
Government Subventions - Other Charges	788,242,500	904,380,070
Government Subventions - Personal Emoluments	10,220,755,966	10,642,375,932
Government Grants	<u>-</u>	<u>794,000,000</u>
	<u>11,008,998,466</u>	<u>12,340,756,002</u>
 NOTE 9: DEFERRED DONOR GRANT		
Balance b/d on 01/07/2016	1,508,279,735	380,392,328
Receipts during the year (note 9.a)	1,449,062,250	2,549,291,718
Amortised amount	<u>(2,519,344,671)</u>	<u>(1,421,404,311)</u>
Balance c/f 30 June 2017	<u>437,997,315</u>	<u>1,508,279,735</u>

**TANZANIA METEOROLOGICAL AGENCY
NOTES ON THE ACCOUNTS**

2016/2017

2015/2016

NOTE 9.a : DONOR GRANT RECEIVED

CCIAM Program, COLUMBIA & WMO	92,762,699	199,270,731
CLIMATE CONSULT,COSTECH,AUSTRALIAN AID &USA UNIVERSITY CORPORATION	74,284,208	14,966,880
UNDP	192,731,000	1,680,443,627
UK MET & BURUNDI MET	789,245,990	234,845,188
GFCS PROJECT	300,038,353	434,732,173
Total Donor Grant Received	<u>1,449,062,250</u>	<u>2,549,291,718</u>

NOTE 10: INTERNAL GENERATED INCOME

Landing and Parking Charges	2,108,728,637	1,883,952,976
Air Navigation charges	6,654,862,975	5,716,648,589
Charges of MET Services, Data & products	75,118,628	87,169,840
Fees from Training Activities & Programs	17,023,000	25,111,000
Charges from Consultancy & Education Tours	11,065,109	6,080,900
Fees from MET Services to the Media	200,000	5,351,000
TOTAL	<u>8,866,998,349</u>	<u>7,724,314,305</u>

NOTE 10a :ACTUAL FEES AND CHARGES RECEIVED

Opening Debtors	1,545,561,734	981,573,579
Fees and Charges Received during the year	8,866,998,349	7,724,314,305
Closing Debtors	(1,918,858,452)	(1,545,561,734)
TOTAL RECEIPTS	<u>8,493,701,632</u>	<u>7,160,326,150</u>

**TANZANIA METEOROLOGICAL AGENCY
NOTES ON THE ACCOUNTS**

	2016/2017	2015/2016
NOTE 11 : OTHER INCOME		
Sale of Tender Documents	1,109,497	1,458,425
House Rent	6,867,326	13,347,648
Miscellaneous Receipts	<u>19,835,660</u>	<u>53,407,836</u>
TOTAL OTHER INCOME	<u>27,812,483</u>	<u>68,213,909</u>

NOTE11 (a): EFFECTS OF EXCHANGE RATE TRANSLATION

Exchange rate Gain/Loss	<u>10,684,550</u>	<u>(7,528,929)</u>
TOTAL	<u>10,684,550</u>	<u>(7,528,929)</u>

TANZANIA METEOROLOGICAL AGENCY

NOTES ON THE ACCOUNTS

	2016/2017	2015/2016
	TZS	TZS
NOTE 12: STAFF COSTS		
Staff Salaries	10,220,755,966	10,617,215,605
Wages to Casual Labour	154,222,304	138,955,803
Leave Allowance	303,646,006	291,719,052
Transfer Allowance	196,394,027	197,559,756
Staff Uniforms	30,695,400	8,580,000
Medical Expenses & Recruitment Expenses	35,720,000	63,338,267
House and furniture Allowances	99,114,600	75,600,000
Meal Allowance	291,896,172	224,791,336
Acting Allowance	113,367,320	90,547,480
Extra Duty Allowance	442,718,877	269,270,000
Electricity Allowance	110,890,000	109,950,000
Telephone Allowance	160,904,000	86,375,000
Outfit Allowance	3,400,000	6,300,000
Sitting Allowance	31,598,700	96,610,000
Shift Allowance	991,319,000	802,852,420
Risk Allowance	133,740,000	118,560,000
TOTAL	<u>13,320,382,372</u>	<u>13,198,224,719</u>

TANZANIA METEOROLOGICAL AGENCY

NOTES ON THE ACCOUNTS

	2016/2017	2015/2016
	TZS	TZS
NOTE 13: ADMINISTRATIVE EXPENSES		
Contributions	20,500,000	36,299,127
Telephone, Emails, Fax Expenses & communication network	157,563,640	165,058,280
Postage	5,316,458	14,813,268
Printing and publication	17,221,760	100,067,720
Advertising and Publicity	64,181,258	190,784,325
Computer Supplies	205,362,779	107,092,829
Newspapers and Periodicals	2,028,000	2,529,400
Stationery	116,245,600	78,660,165
Sundry Expenses	130,733,935	104,706,786
Conference Facilities	153,083,799	128,980,567
Traveling-Local	545,095,551	606,497,083
Staff Transport	409,866,148	309,542,200
Office Rent	864,186,718	659,277,690
Travelling Overseas	274,376,687	328,464,193
Water	14,295,355	15,591,806
Electricity Expenses	367,922,379	244,033,258
Depreciation & Amortisation of software	1,522,650,046	1,799,728,302
Audit Expenses and Audit committee	17,998,204	46,416,653
Office Cleaning,	154,210,303	120,690,013
Consultancy Fees	49,100,534	32,082,760
Security Services	256,465,328	207,954,839

Honorariums	138,759,000	220,385,500
Burial Expenses	10,375,000	17,122,000
Workers Council	109,460,000	52,564,000
MAB Meetings	76,812,318	66,810,180
Staff Welfare	39,272,359	62,958,000
WMO	63,620,853	30,452,300
Budget Preparation	30,600,000	22,975,000
M/V Running Costs - Fuel, Lubricants & Parking	238,427,732	210,976,033
Training Local, Staff Training Local and Hiring Charges	870,226,707	916,087,545
Training Overseas and Staff Training Overseas	84,367,133	302,500,069
Internet	112,633,038	118,498,891
Agency Hospitality, Food and Refreshments	-	45,033,990
Meteorological Supplies Account & Tools and Implements	43,396,198	53,031,361
Research Expenses	117,137,563	101,641,051
TOTAL	7,283,492,383	7,520,307,184

NOTE 13(a) : ACTUAL ADMINISTRATIVE EXPENSES

Opening balance creditors	871,669,633	1,928,679,826
Add: Closing balance Stock	56,794,151	96,092,725
Administration Expenses	7,283,492,383	7,520,307,184
	8,211,956,167	9,545,079,735
Less: Closing Creditors	519,085,567	871,669,633
Opening Stock	96,092,725	71,634,033
Depreciation	1,522,650,047	1,799,728,302
Paid During the year	6,074,127,828	6,802,047,767

TANZANIA METEOROLOGICAL AGENCY

NOTES ON THE ACCOUNTS

	2016/2017	2015/2016
	TZS	TZS
NOTE 14: MAINTENANCE COST		
Maintenance Costs – Buildings & Minor Civil Works	56,275,829	49,494,154
Maintenance Costs – Furniture & Fittings	-	6,716,800
Maintenance Costs - Computers	2,479,989	56,855,600
Maintenance Costs - Motor Vehicles	165,289,797	314,566,019
Maintenance Costs - Office & Telecommunication Equipment	7,479,696	30,909,702
Maintenance Costs - Meteorology Equipment	161,530,747	135,808,170
TOTAL	393,056,058	594,350,445
NOTE 15: FINANCE COSTS		
Bank Charges	33,770,832	24,893,771
Exchange Gain/Loss	-	7,528,929
TOTAL	33,770,832	32,422,700
NOTE 16 ACCUMULATED SURPLUS		
Balance on July 1,	8,006,527,132	7,534,717,586
Add: Surplus/(Loss) During the Year	1,665,562,940	471,809,546
Balance on 30, June	9,672,090,072	8,006,527,132
NOTE 17: Related Party Transactions:		
The following transactions between TMA and related parties (controlled entities, associates, joint ventures were entered into:		
Funds received through MOT towards OC, PE and Development during the year	11,008,998,466	12,340,756,002

TANZANIA METEOROLOGICAL AGENCY

NOTES ON THE ACCOUNTS

NOTE 18: KEY MANAGEMENT COMPENSATION:	2016/2017	2015/2016
Salaries & other short-term benefits;	TZS	TZS
Short-term benefits for Advisory Board	76,812,318	84,639,500
Short-term benefits for Audit Committee	13,267,000	13,500,000
Salaries and short-term benefits for Management Team	1,572,480,000	1,528,033,280

NOTE:19 LEASES - LESSEE

Amount Paid during the year	864,186,718	659,277,689
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Operating leases as lessee

TMA leases office accommodation in the normal course of its business. The leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments to be made under non-cancellable operating lease are as follows:

Non-cancellable operating leases as lessee

Not later than one year	864,186,718	659,277,689
Later than one year and not later than five years	-	-
Later than five years	-	-
Total non- cancellable operating leases	864,186,718	659,277,689

TANZANIA METEOROLOGICAL AGENCY

NOTES ON THE ACCOUNTS

Note 19.a Operating leases as lessor	2016/2017	2015/2016
	TZS	TZS
TMA leases its houses under operating leases. The majority of these leases have a non- cancellable term of 12 month. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:		
Non-cancellable operating leases as lessor		
Not later than one year	6,867,326	13,347,648
Later than one year and not later than five years	-	-
Later than five years	-	-
Total non-cancellable operating leases	<u>6,867,326</u>	<u>13,347,648</u>

NOTE 20: EVENTS AFTER BALANCE SHEET DATE

There was no significant event after the balance sheet date.

NOTE 21: EMPLOYEES BENEFITS

Salaries	10,220,755,966	10,617,215,605
Staff Allowances	2,380,948,669	1,909,520,288
Annual leave	303,646,006	291,719,052
Total employees benefits	<u>12,905,350,641</u>	<u>12,818,454,945</u>

TANZANIA METEOROLOGICAL AGENCY

NOTES ON THE ACCOUNTS

NOTE 22 : FINANCIAL INSTRUMENT RISKS

TMA has policies to manage risks associated with financial instruments. TMA is risk averse and seeks to minimize exposure from its treasury activities. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. TMA is exposed to price fluctuations for its supplies it maintains. The risk is minimized through annual procurement plan which is prepared early at the start of the year.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. TMA is exposed to currency risk, as it sometimes enters into foreign currency transactions. The risk is mitigated through prompt and pre-purchase payment.

Interest rate risk

The interest rates risk for TMA arises only when excess funds are invested. Careful and safe investments are made in near term investments so as to mitigate interest rate risk.

Credit risk

Credit risk is the risk that a third party will default on its obligation to TMA, causing TMA to incur a loss. TMA has no significant concentrations of credit risk, as it has a number of credit customers relating to landing and parking services and air navigation services. The risk is minimized by refusal to provide service for long overdue customers.

TMA invests funds only in deposits with registered banks.

Liquidity risk

Liquidity risk is the risk that TMA will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. TMA aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, TMA maintains a target level of funds within the next 12 months.

NOTE 23: NUMBER OF EMPLOYEES

Employees in 2016/2017 were 564 compared to 583 in 2015/2016

NOTE 24 : CREDIT AND LIQUIDITY ANALYSIS**CREDIT ANALYSIS**

The breakdown of the amount owed to the Agency from external customers and employees is analyzed through an age analysis as follows:

Period outstanding	2016/2017	2015/2016
	TZS	TZS
Trade Receivables:		
Up to 1 Month	84,805,069	-
1 to 3 months	1,499,724,852	1,312,858,752
3 to 12 months	-	-
Over 1 year	15,586,000	15,586,000
Staff Receivables:		
Up to 1 Month	-	-
1 to 3 months	173,583,542	-
3 to 12 months	-	217,116,982
Over 1 Year	145,158,989	-

Trade Payables:		
Up to 1 Month	161,956,932	-
1 to 3 months	82,363,817	490,343,531
3 to 12 months	24,884,134	144,072,794
Over 1 Year	249,880,683	237,253,308

NOTE: 25. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

The Agency's budget is prepared on a cash basis using a classification based on the nature of expenses and covers the period from 1 July 2016 to 30 June 2017, which is the same period of the annual financial statements. The budget was approved by Parliament, and was included in the Government budget in accordance with the Appropriation.

The Agency's budget and financial statements are prepared using different basis. The financial statements are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were reallocated from the accrual basis to the cash basis and reclassified to be on the same basis as the final approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the final approved budget, is then presented in the statement of comparison of budget and actual amounts.

As required under IPSAS 24, the actual amounts presented on a comparable basis to the budget shall, where the financial statements and the budget are not prepared on a comparable basis, be reconciled to the actual amounts presented in the financial statements, identifying separately any basis, timing and entity differences. Adjustments were made for receivables and payables at the beginning and the end of the year. The difference between original and final budget was made during the mid-year and the review was approved by the Management Advisory Board.

Government grant was under received since Government allocates funds based on actual collection. Internal generated revenue was slightly performed due to intensified efforts to collect revenue from our customers. Effective cost control by Management led to cost savings in administrative and maintenance cost.

STATEMENT OF PLANNED ACTIVITY VS FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30.06.2017

SUB VOTE DESCRIPTION 4001

Subvot e strateg ic objecti ve (a)	Acti vity Cod e	Planne d target	Approve d estimates (‘000’)	Reallocat ed Budget (‘000’)	Expendit ures (000)	Varianc e	%	Achieved target (performance indicator) %	REMARKS
		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
A To impro ve service s and HIV/A IDS infecti ons	1011 A01 C	Strengt hens capacit y to scale up and expand HIV/AI DS prevent ion,	6,000	9,000	8,500	500	94	i. Care and support to staff provided. ii. Infected staff with meal allowances	Good progress has been made

<p>rologic al and related service s</p>	<p>1S</p>	<p>forecast s, advisori es and warnin gs improv ed from an average of 70% to 80% by June, 2017</p>						<p>ii. Weather forecast for air transport provided as per ISO 9001:2008 certifications. iii. Daily, 10 days and seasonal Weather forecast services issued. iv. Early warnings on severe weather events issued timely. v. Training on modern forecasting technique facilitated. vi. Data collection system from local meteorological stations and transmission to Global centres was adequate during the period.</p>	<p>Good progress has been made</p>
<p>1012 B02 S</p>	<p>Conduc ive environ ment for the operati</p>	<p>336,550</p>	<p>450,000</p>	<p>415,736</p>	<p>34,263</p>	<p>92</p>	<p>Stations were provided with facilities for smooth operations that include electricity, telephones, internet, stationeries, cartridges, station vehicles maintained, fuels for vehicles and generators etc.</p>	<p>Good progress has been made</p>	

		<p>on of station network ensured by June, 2017</p>							
<p>C Capacity building, efficient and effective resource management</p>	<p>1011 C01 C</p>	<p>Training Program established and implemented to 70% by June 2017</p>	<p>989,800</p>	<p>600,000</p>	<p>500,667</p>	<p>99,332</p>	<p>83</p>	<p>i. 3 staff graduated PhD, 4 Masters and 19 Bsc in Meteorology. ii. 57 students graduated at Kigoma Training Centre for Certificate and Diploma level. iii. Kigoma NMTC maintained NACTE accreditation. iv. Kigoma NMTC was provided with working facilities including 2 computers. v. Kigoma NMTC was connected to fiber optic network vi. A number of 27</p>	<p>Good progress has been made</p>

									students joined with Class II course and 15 students for Class III Course at Kigoma NMTC.	
1013 C01 C	Human resource operational policies and guidelines in place by June, 2017	1,305,500	1,600,000	1,570,900	29,099	98			<p>i. Appraisal and contracts signed as per OPRAS requirements.</p> <p>ii. TMA staff salaries prepared and submitted.</p> <p>iii. TMA staff vetted and the exercises directed by the Government include omitting staff with forgery academic certificates and ghost workers implemented as directed.</p> <p>iv. Workshops for supporting staff including drivers, registry staff, secretaries, and office attendants facilitated to improve their performances.</p>	Good progress has been made although the Agency was faced with shortage of staff.

		June, 2017					<p>prepared</p> <p>v. The Agency attended Parliamentary Budget Session whereby TMA budget was approved as requested.</p> <p>vi. The Agency has finalized preparation of implementation strategy and Action Plan for FYDP II.</p> <p>vii. Draft Cabinet papers for National Meteorological Policy with its implementation Strategy has been submitted to the Ministry.</p>	
1011 C03	Procurement management system which is compliant with	58,900	58,900	58,865	35	100	<p>i. Training on implementation of Procurement Act and Regulations conducted.</p> <p>ii. TMA staff attended annual PSPTB conferences.</p>	

	1011 C05 S	Auditin g Manage ment system develop ed and operati onalize d	44,800	150,000	127,826	22,174	85	i. Annual Internal Audit Plan prepared and implemented quarterly for improving Agency performance. ii. Internal auditing for Headquarters, sections and outstations. iii. Capacity buildings for auditors conducted to improve their performances. iv. Four (4) Audit committee meetings conducted whereby various issues regarding TMA compliance discussed and the report submitted to Parent Ministry, CAG and Ministry of Finance. Risk based audit conducted as per Internal Audit General requirement.	Good progress has been made
1011 C06	TMA adhere				99	i. raft	National	Good progress has	

S	<p>nce to laws, rules and regulations enhanced and complied by June, 2017</p>	37,000	37,000	36,605	395.	<p>Meteorological Services Act and Cabinet papers were prepared and submitted to the Ministry.</p> <p>ii. he Agency improved legal compliance whereby there were no new cases and disputes against TMA.</p> <p>ii. egal awareness seminars conducted to outstations staff and Headquarters to increase compliance with the legal requirements and institutional adherence to good governance and rule of law.</p> <p>v. arious agreements, procurement contracts reviewed and vetted and later on submitted to the Office of Attorney General.</p> <p>v. ispute between TMA and one Tenant who leased Met</p>	been made
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D Research and Applied Meteorology	1014 D01 S	Accuracy of Meteorological Services improved through strengthening of research and applications by June 2017	144,524	4,500	3,582	918	80	Club for a long time was resolved. i. The Agency participated in collaborative research on food security with the Ministry of agriculture, Food Security, Livestock and Fisheries. ii. TMA continued to maintain an up to date Scientific Library and GIS Research Laboratory services iii. Collaborative research with UK-Met Office to identify user needs and develop tailor made products conducted. iv. TMA continued to provide climate services to various sectors include construction, research, tourism, oil and gas etc. v. Dekadal, monthly and seasonal agrometeorological bulletins and warnings prepared and	Some of Research activities were facilitated by donor projects.
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	1015 E01 S	2017	Modern meteorological and telecommunication equipment and instruments installed and maintained by June, 2017	520,000	370,000	305,435	64,564	83	<p>i. Twenty (20) Automatic weather stations installed under CIRDA project that improved data availability at CFO.</p> <p>ii. Contract for procurement of Wind dials has been submitted to Attorney General for vetting.</p> <p>iii. TMA workshop manufactured some of meteorological instruments including 14 Stevenson screens, 3 evaporation pans and 200 standard rain gauges.</p> <p>iv. Telecommunication, dissemination, analysis systems comprising of TRANSMET, AFTN and SYNERGIE systems maintained.</p> <p>v. RETIM satellite receivers, AMESD PUMA, weather radars, computer cluster maintained and are</p>	Good progress has been made
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	1015 E02 C	Management information system installed by June 2017	216,580	350,000	300,583	49,416	86	operational.	Good progress has been made
<p>i. Eight (8) stations, which are Zanzibar Airport, Central Forecasting Offices, Julius Nyerere International Airport and Kigoma NMTC, Mwanza, Dodoma, Mtwara and Kigoma Airport have already been connected to optic fiber.</p> <p>ii. The process of connecting 3 stations with optic fiber network which are KIA, Arusha and Chukwani Zanzibar has been initiated.</p> <p>iii. TMA continued to maintain the Government Mailing System (GMS) whereby all official communications are now channelled through the system to comply with Government directives.</p> <p>iv. More emails for staff and offices have been created</p>									

F Meteo rologic al quality manag ement frame work strengt hened	1014 F01 C	Adhere nce to all proced ures of observi ng and quality control of data to WMO standar ds develop ed	31,431	15,000	11,145	3,855	74	i. CLIDATA software was updated for non real time data processing and dissemination. ii. Rainfall and temperature for Mwanza, Musoma, Bukoba and Shinyanga stations have been digitized. ii. The Agency used CLIDATA software for non real time data processing and dissemination. v. Pressure, wind, clouds and relative humidity for Arusha, Kilimanjaro, Same and Moshi have been digitized.	Some of the activities financed by project fund
1012 /15F 01C	QMS implem entatio n	48,000	80,000	64,718	15,281	81	i. TMA continued with the exercise of marking the visibility points. ii. TMA updated stations history and registration of new stations whereby all rainfall stations in	Good progress has been made	

G Aware ness on weathe r and climat e	1013 G01 S	Aware ness creatio n progra mme prepare	25,470	25,470	24,652	818	97	<p>made various interventions to migrate from ISO 9001:2008 to ISO 9001:2015 including training and documents preparations</p> <p>ii. Risk Management training conducted at TMA Headquarters hence strengthens capacity to implement Risk management.</p> <p>iii. Competency Assessment implemented as per WMO and ICAO requirements.</p>	Some of the awareness activities conducted under donor funded project
		i. TMA conducted 24 awareness meetings at 13 villages and 15 schools whereby people were sensitized on climate services and climate change.						<p>ii. TMA in collaboration with the Ministry of</p>	

issues enhanced by June 2010ed	d and implemented by June 2017	Health training workshops conducted on Health and Climate.	2
		iii. TMA in collaboration with Prime Minister's Office Management Department conducted two workshops in Liwale and Arumeru Districts on Weather Related Hazards and Standard Operating Procedures (SOPs) for Floods and Drought.	
		iv. TMA attended various media interviews on weather and climate related issues.	
		v. TMA conducted seminar on marine stakeholder's sensitization and on provision of marine weather services over the Lake Tanganyika.	
		vi. Number of radio receiving and broadcasting weather	

H	International cooperation	1011 HO1 C	Tanzania's obligation to regional	382,740	300,000	254,927	45,072	85	<p>forecast has continued to increase.</p> <p>vii. TMA continued with posting updated new information to its website and blogs in order to increase awareness to its customers</p> <p>viii. TMA has prepared and conducted training workshops and sensitizes local communities, farmers, decision makers and students on weather and climate services offered by TMA.</p> <p>ix. TMA Client Service Charter have been implemented</p>	Needs for ratification of AMCOMET constitution
									<p>i. Annual membership fees for World Meteorological Organization (WMO) and SADC-MASA has been paid.</p> <p>ii. Annual membership for</p>	

and networks enhanced	I, international conventions and cooperation fulfilled and enhanced with other Relevant institutions by June 2017.			
			AMCOMET awaits the ratification at the Ministry.	
			iii. TMA exchanged real time data via the Global Telecommunication system (GTS) with an increase percentage of data received at the Global Centres	
			iv. TMA experts assisted Maldives to establish QMS and Competency Assessment.	
			v. TMA attended six (6) international training workshops and gained skills on meteorological operations.	
			vi. Experts from Zimbabwe Red Cross Society visited TMA with the aim of sharing experience and learning from TMA especially on the Lake Victoria Mobile Weather Alert project.	
			vii. TMA attended ten (10)	

I Infrastructure improved	1011 101D	Phase I of the construction of the Headquarters office completed by June, 2017	1,000,000	0	0	0	0	0	international meetings related to weather and climate issues such meetings were important for Tanzania to fulfil her International Agreements. viii. TMA hosted one (1) international meeting.	
			9,613,106	7,967,410	7,151,766	814,143	90		The activity was not done due to Government directives of shifting Headquarters to Dodoma	

