



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



**NGORONGORO CONSERVATION AREA AUTHORITY  
(NCAA)**

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE  
FINANCIAL AND COMPLIANCE AUDIT FOR THE FINANCIAL YEAR ENDED  
30 JUNE 2023**

ISO 9001:2015 Certified

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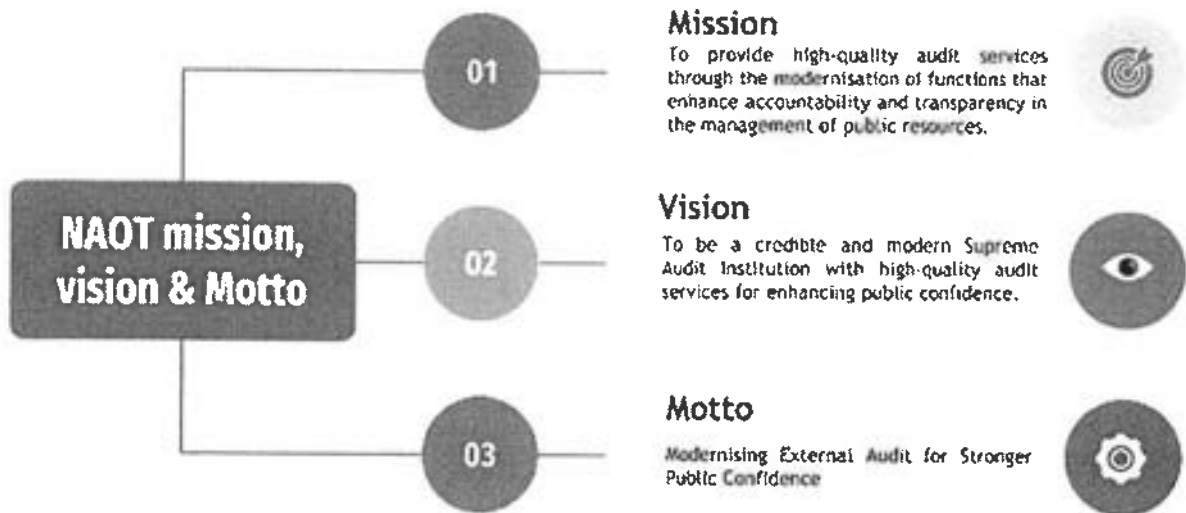
March 2024

AR/PA/NCAA/2022/23

## About the National Audit Office

### Mandate

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



### Independence and objectivity

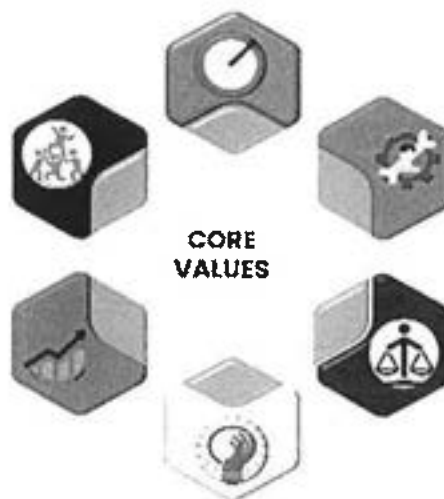
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

### Teamwork Spirit

We value and work together with internal and external stakeholders.

### Results-Oriented

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



### Professional competence

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

### Integrity

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

### Creativity and Innovation

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

© This audit report is intended to be used by Ngorongoro Conservation Area Authority and may form part of the annual general report, which once tabled to National Assembly, becomes a public document; hence, its distribution may not be limited.

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## ABBREVIATIONS

ACC	Assistant Conservation Commissioner
AG	Accountant General
CAG	Controller and Auditor General
CBPP	Contagious Bovine Pleuropneumonia
CC	Conservation Commissioner
CCP	Contagious Caprine Pleuropneumonia
COI	Conservation Officer I
COII	Conservation Officer II
ECF	East Coast Fever
F&MD	Foot and Mouth Disease
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
MCF	Malignant Catarrh Fever
MNRT	Ministry of Natural Resources and Tourism
NCA	Ngorongoro Conservation Area
NCAA	Ngorongoro Conservation Area Authority
NPC	Ngorongoro Pastoralist Council
NPF	Ngorongoro Protection Fund
PCO	Principal Conservation Officer
PPE	Property, Plant and Equipment
SACC	Senior Assistant Conservation Commissioner
SCO	Senior Conservation Officer
TAWIRI	Tanzania Wildlife Research Institute
UNESCO	United Nations Educational, Scientific and Cultural Organization

## **1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL**

Chairman of the Board,  
Ngorongoro Conservation Area Authority,  
P.O. Box 1,  
Arusha.

### **1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS**

#### **Unqualified Opinion**

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

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

#### **Basis for Opinion**

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Ngorongoro Conservation Area Authority, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

### **Key Audit Matters**

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

### **Other Information**

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

My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



## 1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

### 1.2.1 Compliance with the Public Procurement laws

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

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

#### **Conclusion**

Based on the audit work performed, I state that, except for the matter described below, procurement of goods, works and services of Ngorongoro Conservation Area Authority is generally in compliance with the requirements of the Public Procurement laws.

Parent Ministry interference in the procurement process of Tender No. EA/055/2020-2021/HQ/W/01 for construction of NCAA's HQ which led to additional cost of TZS 686,600,000

On 11 March 2022 the Parent Ministry summoned the Authority's Procurement Management Unit (PMU), Tender Board, Evaluation Team and Accounting Officer and required details about the tender No. EA/055/2020-2021/HQ/W/01. After the communication, the Ministry advice was adhered to and influenced the cancellation of the tender. The Authority had to start the tendering process, however, the previous lowest evaluated bidder won the bid in the re-tendering process but this time at a contract price of TZS 10,484,600,000 which is higher by TZS 686,600,000.

### 1.2.2 Compliance with the Budget Act and other Budget Guidelines

**Subject matter:** Budget formulation and execution

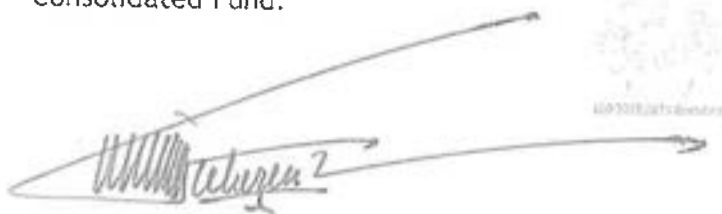
I performed a compliance audit on budget formulation and execution in the Ngorongoro Conservation Area Authority for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

## Conclusion

Based on the audit work performed, I state that, except for the matters described below, Budget formulation and execution of Ngorongoro Conservation Area Authority is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

### (i) Unbudgeted expenditure TZ 3.88 billion

I revealed that the NCAA incurred an expenditure of TZS 3,877,680,102 for developing and improving infrastructure at Pololoti Game Reserve. However, this amount was used contrary to the requirements of Section 27(4) of the Budget Act [CAP 439 R.E 2020] and Section 2 of the Finance Act, 2020 amendment to the Ngorongoro Conservation Area Act CAP 284. These legislations stipulate that the approved appropriations for government and public entities must be used solely for the specified purpose and within the prescribed limits outlined in their respective estimates. Additionally, all funds collected by the NCAA must be remitted to the Consolidated Fund.



Charles E. Kichere  
Controller and Auditor General,  
Dodoma, United Republic of Tanzania.



March 2024

## 2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE

### 2.1. INTRODUCTION

Pursuant to the Tanzania Financial Reporting Standard TFRS 1 “Report by Those Charged with Governance”, the Authority would like to present this report and financial statements for the financial year ended 30 June 2023. Presentation of the financial statements is in accordance with the provisions of the Public Audit Act, Cap 418 and Public Finance Act, Cap 348.

### 2.2. THE OVERVIEW OF THE NCAA

Ngorongoro Conservation Area (NCA) in Tanzania was established in 1959 by Ordinance No.413, as amended by the Game Parks Law of Tanzania (Miscellaneous Amendments) Act No.14 of 1975, which also established Ngorongoro Conservation Area Authority (NCAA) to manage the NCA. Before the establishment of NCAA, the management of the NCA was vested in the Wildlife Department of the Ministry responsible for natural resources and tourism. The NCA Ordinance was later revised by the NCAA Act, Cap 284 of 2002. However, in 2018, The NCAA was granted management of the Cultural heritage sites found outside NCA: The Mumba Rock in Karatu District, Engerasero Footprints in Ngorongoro District, Engaruka Ruins in Monduli District, Kimondo Meteorite in Mbozi District and Ambone Caves in Tanga. Also, in 2022, Loliondo Game Controlled Area (Pololeti approximately 1,500km<sup>2</sup>), Salei Plains and Selela Village Forest Reserve were officially handled to NCAA for management.

Due to its outstanding universal value, the NCA was added to the World heritage list in 1979 after meeting criteria prescribed by the World Heritage Convention. Additionally, the NCA has been recognized as part of the Serengeti-Ngorongoro Biosphere Reserve, under UNESCO’s Man and Biosphere Programme (MAB) since 1981. In 2010, UNESCO World Heritage Committee reinscribed the NCA as a mixed property on the World Heritage List. The Committee based its decision on the extraordinary record of human evolution at the site, which spans from the Serengeti National Parks in the northwest of Tanzania to the Eastern arm of the Great Rift Valley. The NCA was Voted as one of the Seven natural Wonders of Africa in 2013.

The primary purpose for the establishment of NCAA is to conserve and preserve the 8,292 km<sup>2</sup> of land and maintain the ecological integrity of the area to promote biodiversity conservation and geo-culture for tourism, as well as to promote the development of indigenous people in a

sustainable manner. The Authority conserves and preserves biodiversity and cultural heritage that promote high-value and low-volume tourism, which generates revenue for the management of the area and also promotes sustainable development for the indigenous people of the area.

The Authority is striving to achieve balance between the preservation of nature, culture and geology (biodiversity, palaeontology, palaeoanthropology, GeoCities) and human activities by indigenous people. Currently, the balance between preservation and human use of the area is being adversely affected by the increase of human population, livestock and related activities to support their livelihood. In fact, the more the Authority invests in protection and conservation activities, the more indigenous community livelihood is affected. More investment in indigenous community development (health, education, water, economy and food security) has corresponding adverse effects on conservation of biodiversity and cultural resources.

In 2019, the MNRT initiated the process of reviewing the Multiple Land Use Model of NCA to address the imbalance between preservation of nature, culture, geology and human use of the area by indigenous communities. If the current situation persists, it will result in the collapse of the NCA ecosystem, a designated world heritage asset. To alleviate this situation the Government created awareness and persuaded indigenous community who are willing to voluntarily be relocated outside NCA, whereby the Government identified and located reserved areas at Msomera in Handeni District and Kitwai in Kilindi District for this purpose and provided support in terms compensation and other relocations expenses for all indigenous community members who are voluntarily willing to be relocated outside NCA. During the financial year ended 30 June 2023 the Government through NCAA continued with the special program to voluntary relocate indigenous community outside NCA.

For the Authority to sustain and increase revenue, it must improve and maintain visitor services and products, coupled with sustainable tourism investments, such as entry gates, Loduare-Golini Road, crater descent road, Olduvai airstrip, toilets and restaurants, Ngoitoktok picnic site, crater roads, construction of world-class museums, language interpretation for tourist attractions, diversification of tourism products, monitoring and continued improvement of the revenue collection system, upgrading of seasonal campsites to luxury tented camps, developing and implementing a strategy to downsize operational costs and maintain the area's international status, Global Geopark, Man and Biosphere Reserve and World Heritage Site).

Due to the emergence of the COVID-19 pandemic, revenue for the Authority dropped by 84% for the months of March, April, May and June 2020, following a significant drop in tourism revenue, the Government mandated TRA to collect tourism revenues through the Finance Act, 2020, and since then the Government continued to allocate operational funds to the Authority based on the approved normal budgetary procedures. During the reporting period 2022/23, number of tourists and revenue continued to increase, as at 30 June 2023 the Authority collected TZS 176 billion (Vat Inclusive) compared to TZS 91 billion (Vat Inclusive) for the preceding year of 2021/22.

### 2.3. OUTSTANDING RESOURCES AND VALUE OF THE NCA

The outstanding resources and values of NCA capture the essence of its creation and existence as conservation area, and help maintain its status as a world heritage site and an International Biosphere Reserve. Such resources values must be protected and preserved to maintain the significance of the NCA, outstanding resources are not limited to those within the NCA boundaries. In principle, they include:

- a) Outstanding examples of the natural, scenic, geological scientific, ecological, floral, faunal and recreational values for which the NCA was created;
- b) Areas essential for protecting the ecological integrity of the NCA;
- c) Areas critical for maintaining waterflows and quality to protect the ecological integrity of the NCA;
- d) Rare and endemic plants and animals;
- e) Sensitive, threatened, or endangered plants and animals;
- f) Resources unusually sensitive to human use;
- g) Major archaeological or historical sites;
- h) Major local cultural sites; and
- i) Resources with international recognition.

In addition to the major significance and values of the NCA described above, including the scenery and diverse and highest wildlife density in Ngorongoro Crater, the Serengeti Plains and its migratory wildlife species, the Northern High Forest Reserve and the paleontological and archaeological sites found in the NCA, other values are the following

- a) The NCA is one of the Most visited tourist destinations in Tanzania and as such, it is an important economic resource for local residents, the region and the nation;

- b) The NCA multiple land use system is the one of the earliest to be established around the world as means of reconciling human development and natural resources conservation; and
- c) The NCA has been designated by UNESCO as World Heritage Site and International Biosphere Reserve.

#### 2.4. GOALS, VISION, MISSION, CORE VALUES, STRATEGIC THEMES AND FUNCTIONS OF THE NGORONGORO CONSERVATION AREA AUTHORITY

##### NCAA Vision

To be the best multiple land use conservation area in the world.

##### NCAA Mission

To sustainably conserve biodiversity and cultural heritage, enhance livelihood of the indigenous community and promote tourism for the benefit of the Nation and the World.

##### Core Values of the Authority

NCAA has installed a set of values that form a platform which guide and direct the conduct of staff internally and how they relate and interact with clients while executing the mission. In this regard, NCAA is bound to the following core values.

- i) **Conservation centred:** NCAA Staff shall present themselves as ambassadors by expressing their views and actions in favour of conservation of natural and cultural resources;
- ii) **Transparency and Accountability:** While ensuring security and the best interest of NCAA, Staff shall exercise openness, accuracy and promptness in sharing relevant information with relevant stakeholders. Staff shall in all-weather exercise diligence to all assigned duties while ensuring optimum use of resources and be accountable for their actions;
- iii) **Professionalism:** NCAA Staff will portray a high level of morality, impartiality, integrity, respect, courtesy, timeliness, effectiveness and efficiency when performing their duties; and
- iv) **Commitment:** NCAA Staff shall express a high level of commitment when discharging their duties and providing services to clients and stakeholders.

## **2.5. KEY RESULT AREA (KRA) OF THE STRATEGIC PLAN**

The Ngorongoro Conservation Area Authority corporate strategic plan has 22 Key Result Areas (KRAs), Seven Strategic objectives with 54 targets to be achieved in the five (2020/21-2025/26) years of the plan.

**Table 1: The strategic objectives and number of targets to be addressed during implementation period are as shown.**

<b>S/N</b>	<b>Strategic Objectives</b>	<b>Number of Targets</b>
1	HIV/AIDS and non-communicable diseases to employees reduced and supportive services improved	3
2	National Anti-Corruption Strategy implementation enhanced and sustained	4
3	Biodiversity and cultural resources sustained	14
4	Tourism services improved	12
5	Well-being of indigenous community improved	10
6	Corporate service delivery improved	5
7	Financial resources mobilization and management enhanced	6
<b>Total</b>		<b>54</b>

## **2.6. PRINCIPAL FUNCTIONS OF THE AUTHORITY**

The statutory functions of NCAA include the following: -

- To conserve and develop the natural resources of the Conservation Area;
- To safeguard and promote the interests of Maasai citizens of the United Republic engaged in cattle ranching and dairy industry within the Conservation Area;
- To promote tourism within the Conservation Area and to provide and encourage the provision of facilities necessary or expedient for the promotion of tourism;
- To promote and regulate the development of forestry within the Conservation Area;
- To promote, regulate, and facilitate transport to, from and within the Conservation Area;
- To construct such roads, bridges, aerodromes, buildings and fences, to provide such water supplies and to carry out such other works and activities as the Board of Directors of the Authority may consider necessary for the purposes of the development or protection of the Conservation Area;
- To do all such acts and things, as in the opinion of the Board, may be necessary to uphold and support the credit of the Authority and to obtain and justify public confidence, and to avert and minimize any loss to the Authority;

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- To do anything and enter into any transaction which, in the opinion of the Board, is calculated to facilitate the proper and efficient exercise by the Authority of its functions under this Ordinance;
- In exercising its functions of control and management, NCAA shall adhere to the following key aspects:
- The political, economic and social aspirations of the people of the United Republic of Tanzania;
- The health and general welfare of the members of the public by guiding its operations in a manner that conserves the environment coherently and sustainably; and
- The maintenance of responsible practices not damage the environment and ecological systems

### 2.7. THOSE CHARGED WITH GOVERNANCE

The Board of Directors for NCAA comprises Executive and Non-executive Directors. According to the Ngorongoro Conservation Area Act CAP 284, the Chairperson of the Board is Appointed by the President of United Republic of Tanzania while other Directors are appointed by the Minister for Natural Resources and Tourism to serve for the tenure of three years, and the Conservation Commissioner of NCAA as Board Secretary. The Board structure is designed to enable the Directors to regularly review the corporate strategy and the operations and results of the business and discharge their duties within a framework of prudent and effective controls relating to assessing and managing risks.

The Board of Directors was appointed to serve for the tenure of three (3) years from 20 July 2022 to 19 July 2025. All Board members are Tanzanians, the composition of the Board comprises multi-disciplinary professionals as follows:

Table 2: list of board of directors

S/ N	Name	Position	Age	Discipline/Current Status and Experience	Qualification/ Education	Appointment/R esignation
1.	General. Venance Salvatory Mabeyo	Chairman	67	Retired Chief of Defence Force - Tanzania People's Defence Force (TPDF)	General of Tanzania People Defence Force.	20 July 2022 / 19 July 2025
2.	Dr. Freddy Safiel Manongi	Secretary	62	Conservation Commissioner of Ngorongoro	PhD in Rural Social Science - University of	20 July 2022 / 19 July 2025



# NGORONGORO CONSERVATION AREA AUTHORITY

S/ N	Name	Position	Age	Discipline/Current Status and Experience	Qualification/ Education	Appointment/R esignation
				Conservation Area Authority.	Bangor, Masters of Science in Conservation Biology, BS in Zoology Wildlife Ecology, Diploma in Wildlife Management	
3.	Mr. Benso Obdiel kibonde	Member	71	Principal Conservation Officer (Rtd) Selous Game Reserve	Tshwane University of Technology (TUT), Pretoria. South Africa. Bachelors of Technology (BTech) in Nature Conservation (2004-2007)	20 July 2022-/ 19 July 2025
4.	Mr. Bakari Nampunya Kalembo	Member	57	Financial Consultant	Master's Degree in Finance and Banking	20 July 2022 / 19 July 2025
5.	Mrs. Agnes Kisaka Meena	Member	56	Executive Director, Policies Development, President office, Public Service and Good governance Management.	MPPM - Masters in Public Policy and Management	20 July 2022 / 19 July 2025
6.	Prof. Esther William Dungumaro	Member		Principal at Mkwawa University College of Education (MUCE)	Associate Professor of Demography and PhD - from The Open University of Tanzania	20 July 2022 / 19 July 2025
7.	Prof. Herrieth Godwin Mtae	Member	56	Community Economic Development officer at Open University of Tanzania (OUT)	PhD (The Open University of Tanzania)	20 July 2022 / 19 July 2025
8.	Prof. Henry Chalu	Member		Associate Professor University of Dar Es Salaam (UDSM)	PhD - Business Administration- University Dar es Salaam, Tanzania	20 July 2022 / 19 July 2025

The Board oversee its functions through meetings and physical visits to assess management performance on implementing strategy issues. During the year ended 30 June 2023, the Board of Directors held a total of three (3) ordinary meetings and four (4) extra Ordinary Meetings. In

the course of these meetings, the Board made the following major and strategic decisions and directives:

During the financial period ended 30 June 2023 the Authority's Board of Directors Approved and Directed Management to:

- To Consider apply and administer on the appropriate sustainable model for mitigating invasive species by reviewing a holistic invasive species strategic management plan;
- To proceed and speed up the completion of procurement procedures to obtain the right and qualified contractor who will be engaged on hardening of the Lodware to Golini Road (83km and access road to Olduvai Museum 5km). And seek assurance that the Government will guarantee the availability of funds required for construction of the road;
- To review tourism marketing strategy with a focus on increasing revenues within optimal numbers of tourists, accommodating new tourism products and shifting away from ineffective traditional promotions;
- To develop a comprehensive investment plan that will attract potential investors to all identified potential area within the Ngorongoro Conservation Area;
- Approved the Management to proceed with the process to acquire a short-term soft loan which will facilitate the operation of second phase of voluntary resettlement program of local community residing within NCA to Msomera Village and other Areas of their preference;
- Ensure that proper plans for land survey and land use plan of Msomera villages is carried out with the collaboration of National Land Use Planning Commission and local village authorities to avoid double allocation of plots which may lead to legal conflicts before commencement of voluntary resettlement program phase II;
- The Board approved the Procurement Plan for the Financial Year 2023/24.
- The Board Approved the risk-based internal audit annual plan for financial year 2023/24;
- Approved the Report by those charged with governance and financial statements for the year ended 30 June 2022 for public issue; and
- Approved the NCAA Board of Director's Charter and nominated Prof Esther William Dungumaro to be a Vice Chairperson for a period of one year.

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**Table 3: Attendance of the Authority Board Ordinary meetings held from 01 July 2022 to 30 June 2023 is shown in the below:**

S/N	Name	Meetings		
		131 <sup>th</sup>	132 <sup>th</sup>	133 <sup>th</sup>
1	General. Venance Salvatory Mabeyo	P	P	P
2	Dr. Freddy Safiel Manongi	P	P	P
3	Mr. Benso Obdiel kibonde	P	P	P
4	Mr. Bakari Nampunya Kalembo	P	P	P
5	Mrs. Agnes Kisaka Meena	P	P	P
6	Prof. Esther William Dungumaro	P	P	P
7	Prof. Herrieth Godwin Mtae	P	P	P
8	Prof. Henry Z. Chalu	P	P	P

KEY: P- Present

A - Absent with apology

**Table 4: Attendance of the Authority Board Extra-Ordinary meetings held from 01 July 2022 to 30 June 2023 is shown in the below:**

S/N	Name	Meetings			
		131 <sup>th</sup>	132 <sup>th</sup>	133 <sup>th</sup>	134 <sup>th</sup>
1	General. Venance Salvatory Mabeyo	P	P	P	P
2	Dr. Freddy Safiel Manongi	P	A	P	P
3	Mr. Benso Obdiel kibonde	P	P	P	P
4	Mr. Bakari Nampunya Kalembo	P	P	P	P
5	Mrs. Agnes Kisaka Meena	P	A	A	A
6	Prof. Esther William Dungumaro	P	A	P	A
7	Prof. Herrieth Godwin Mtae	P	P	P	P
8	Prof. Henry Z. Chalu	P	P	P	A

KEY: P- Present

A - Absent with apology

### 2.8. FUNCTIONS OF THE BOARD AND ITS COMMITTEES

The Board of Directors is the Authority's ultimate decision-making entity. The Board is collectively responsible and accountable for the affairs and overall performance of the Authority. It ensures that proper systems and controls are in place to protect the Authority's assets and its good reputation. It also determines the strategic direction of the Authority and identifies key risk areas, monitors and evaluates the implementation of policies, plans and

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approves the Authority's capital expenditure including investments and operating budgets. The Board also ensures that the activities of the Authority comply with all legal and regulatory requirements.

The Role and Responsibilities of the Board of Directors are set out in on Board of Director's Charter which may be reviewed on a yearly basis or as and when required with the introduction of, or amendments to laws and regulations.

The Board of Director's Functions is supported by three (3) composed Committees, namely Conservation Committee, Corporate Committee and Risk & Auditing committee. The composed Board Committees are headed by experienced Chairmen who report on their activities and make recommendations on matters delegated to them under their respective Charters at the subsequent meeting of the Board. In order to fulfil the duties and responsibilities delegated to them, the Committees are authorised to obtain independent professional advice at the Authority's expense.

The NCAA Board of Directors three (3) Committees which comprises of at least three members. The composition and functions are as described in the table herein.

### **The Conservation Committee.**

The Conservation Committee has the task to oversee the Authority's Short- and Long-term strategic objectives regarding Conservation, Community Development and Tourism. It has also the task to oversee and provide guidance on wildlife management, range land management and research, wildlife protection services, Natural and cultural resources, community livelihood and sustainable tourism within the Ngorongoro Conservation Area and adjacent areas.

**Table 5: Members of the Conservation Committee who Served the Authority during the year under review:**

S/N	Committee Members	Position	Appointment/ Resignation*
1.	Mr. Benso Obdiel kibonde	Chairman	20 July 2022 / 19 July 2025
2.	Prof. Esther William Dungumaro	Member	20 July 2022 / 19 July 2025
3.	Prof. Herrieth Godwin Mtae	Member	20 July 2022 / 19 July 2025

The first date indicates the start date of the tenure (Appointment) and last date indicates the end of the tenure (Resignation).

During the financial year ended 30 June 2023, the Conservation Committee held a total of three meetings in which it deliberated and recommended the following:

- The Committee received, considered preparation of cultural heritage management strategy and business strategies for all new identified cultural sites;
- The committee received and considered the improvement of tourism and tourist facilities within the Ngorongoro Conservation Area such as Lodua gate, Seneto Gate, and Ngoitoktok area and Ngorongoro Crater;
- The committee considered the review of Invasives Species control strategy plan and implementation strategy 2019 - 2024;
- The committee received and considered the strategies adopted on promotion of tourism attractions by participating in 6 local travel trade fairs events and 2 international trade fairs events which created and provided awareness on NCA attraction; and
- The committee received and considered the management strategies to continue upholding the given International UNESCO status for Ngorongoro Conservation Area as a Mixed World Heritage Site and Ngorongoro-Lengai UNESCO Global Geopark Status.

**Table 6: Attendance of the Conservation Committee Members from 01 July 2022 to 30 June 2023**

S/N	Name	MEETINGS		
		131 <sup>th</sup>	132 <sup>th</sup>	133 <sup>th</sup>
1.	Mr. Benso Obdiel kibonde	P	P	P
2.	Prof. Herrieth Godwin Mtae	P	P	P
3.	Prof. Esther William Dungumaro	A	P	A

KEY:        P- Present  
              A - Absent with apology

#### **The Corporate Service Committee.**

The Corporate Service Committee has the task to oversee short- and long-term strategic objectives of the Authority. Further, oversee implementation of the strategies and provide guidance to achieve the set goals of the Authority, Supervise the Management of the business and affairs of Authority. It also ensures proper governance in financial management and operational efficiency as well as adherence to the legal and regulatory framework within the country.

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**Table 7: Members of the Corporate Service Committee who served the Authority during the year under review:**

S/N	Committee Members	Position	Appointment/ Resignation*
1.	Mr. Bakari Nampunya Kalembo	Chairman	20 July 2022 / 19 July 2025
2.	Prof. Henry Z. Chalu	Member	20 July 2022 / 19 July 2025
3.	Mrs. Agnes Kisaka Meena	Member	20 July 2022 / 19 July 2025

The first date indicates the start date of the tenure (Appointment) and last date indicates the end of the tenure (Resignation).

During the financial year ended 30 June 2023, the Corporate Committee held a total of two meetings in which it deliberated and recommended the following:

- The Committee received, considered the management strategy on improvement of access to clean and safe water within NCA and neighbouring community adjacent to NCA by completing the construction of Mama Hau water Treatment plant;
- The committee received and considered the management effort on improving stakeholders' engagement and relation through various meeting between NCAA and Government institutions, tour operators, tour guide, Conservation expertise, media personnel and other surrounding community;
- The committee considered and approved the management to continue with the procedure for upgrading and hardening the 83Km road from Iduare to Golini and 5km access road to Olduvai Museum;
- The committee received the management effort on maintenance and upgrade of NCA internal access road with a total of 98km road network to facilitate smooth tourist destination during the year under review; and
- The committee considered for full board approval the annual procurement plan of 2023/24.

**Table 8: Attendance of the Corporate Service Committee Members from 01 July 2022 to 30 June 2023**

S/N	Name	Meetings		
		131 <sup>th</sup>	132 <sup>th</sup>	133 <sup>th</sup>
1.	Mr. Bakari Nampunya Kalembo	P	P	P
2.	Prof. Henry Z. Chalu	P	P	P

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S/N	Name	Meetings		
		131 <sup>th</sup>	132 <sup>th</sup>	133 <sup>th</sup>
3.	Mrs. Agnes Kisaka Meena	P	P	A

KEY: P- Present  
A - Absent with apology

## Risk and Audit Committee.

The Risk and Audit Committee assists the Board in fulfilling its oversight responsibilities and is also accountable for any other duties that may be assigned by the Board from time to time. The Committee has been established by the Board to assist it in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes, the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards. The Committee provides a forum for the discussion of business risks and control issues which may be faced by the Authority.

Relevant recommendations are thus generated for consideration by the Board. The Committee also monitors the role and scope of work of internal auditors. It has the authority to conduct investigations into any matter within its scope of responsibilities and to obtain such outside or other independent professional advice as it considers necessary to carry out its duties.

**Table 9: Members of the Risk and Audit Committee who served the Authority during the year under review:**

S/N	Committee Members	Position	Appointment/ Resignation*
1.	Prof. Henry Z. Chalu	Chairman	20 July 2022 / 19 July 2025
2.	Prof. Esther William Dungumaro	Member	20 July 2022 / 19 July 2025
3.	Mr. Bakari Nampunya Kalembo	Member	20 July 2022 / 19 July 2025

The first date indicates the start date of the tenure (Appointment) and last date indicates the end of the tenure (Resignation).

During the financial year ended 30 June 2023, the Committee held a total of three meetings in which it deliberated and recommended the following:

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- The Committee received, considered and directed the management to upgrade the Safari Portal system to enhance smoothly operation of tour companies and tour operators on revenue collection from tour income;
- The committee recommended to the full board; the approval of Risk based Internal Annual Plan for the financial year 2023/24.
- The committee considered and directed management to optimal use the available resources to accomplish the newly established projects with the aim of accomplish board Authority's Objectives.

**Table 10: Attendance of the Risk and Audit Committee Members from 01 July 2022 to 30 June 2023**

S/N	Name	MEETINGS		
		131 <sup>th</sup>	132 <sup>th</sup>	133 <sup>th</sup>
1.	Prof. Henry Z. Chalu	P	P	P
2.	Prof. Esther William Dungumaro	P	P	A
3.	Mr. Bakari Nampunya Kalembo	P	P	P

KEY: P- Present

A - Absent with apology

### 2.9. ADMINISTRATIVE FRAMEWORK OF THE NCAA

The Ngorongoro Conservation Area Authority (NCAA) is a public entity under the Ministry for Natural Resource and Tourism (MNRT) responsible for managing the Ngorongoro Conservation Area (NCA) under the NCA Act of 1959. The Authority Board has delegated the day-to-day management of the Authority to the Conservation Commissioner.

Ngorongoro Conservation Area has been listed as a World Heritage Site (WHS) under natural criteria since 1979. In 2010, the World Heritage Committee of UNESCO re-inscribed NCA as a mixed property on the WHS list. The committee based this decision on the extraordinary record of human evolution at the site, which spans a vast area of land from the Serengeti National Park in the northwest of Tanzania to the eastern arm of the Great Rift Valley. Internationally, NCA has been recognised as part of the Serengeti-Ngorongoro Biosphere Reserve since 1981 under UNESCO's Man and the Biosphere (MAB) Programme. In 2013, NCA was voted as one of the Seven Natural Wonders of Africa. In 2018, NCA, together with the districts of Karatu and Monduli, acquired the status of UNESCO Global Geopark.



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NCAA is led by the Conservation Commissioner (CC) who is the Chief Executive Officer of the Authority and commanding officer of the Unit. He is assisted by two Deputy Conservation Commissioners, one being Deputy Conservation Commissioner for Corporate Services (DCCCS) and the other being the Deputy Conservation Commissioner for Conservation, Community Development and Tourism (DCCCT). On other hands there are 15 Units/Sections that assist the directorate of Conservation Commissioner and Deputy Conservation Commissioners in implementing the Authority's Day to day activities/operations. The management team of the Authority for the financial year ended 30 June 2023 includes the following:

**Table 11: The Management team of the Authority for the year ended 30 June 2023 was as follows.**

S/N	Department/Unit/Section	Name	Title
1	Chief Executive Officer	CC. Dr. Freddy S. Manongi	Conservation Commissioner
2	Deputy Chief Executive Officer	SACC. Elibariki S. Bajuta	Ag. Deputy Conservation Commissioner - Conservation, Community Development and Tourism
3	Deputy Chief Executive Officer	ACC. Salim Athuman Mjema	Ag. Deputy Conservation Commissioner - Corporate Services.
4	Finance and Accounting	SACC. CPA Mathew H. Mkunda	Senior Assistant Conservation Commissioner - Finance and Accounting Section
5	Planning and Investment	SCO. Mr. Godson S. Chengula	Ag. Senior Assistant Conservation Commissioner - Planning and Investment Section
6	Wildlife and Range Management	SACC. Mrs Victoria R. Shayo	Senior Assistant Conservation Commissioner - Wildlife Management and Research
7	Legal Services	PCO. ADV. Jumanne M. Dede	Ag. Senior Assistant Conservation Commissioner - Legal Services Unit.
8	Internal Audit	SACC. CPA. Alex A. Maleva	Senior Assistant Conservation Commissioner - Internal Audit Unit
9	Infrastructure	SACC. Eng. Daniel M. Chegere	Senior Assistant Conservation Commissioner - Infrastructure Section
10	Human Resources and Administration	SCO. Mrs. Salma Chisonga	Ag. Senior Assistant Conservation Commissioner - Human Resources and Administration Section.
11	Protection Services	COH. Linus G. Tiothem	Ag. Senior Assistant Conservation Commissioner - Protection Services Section
12	Tourism Services	PCO. Mr. Peter K. Makutian	Ag. Senior Assistant Conservation Commissioner - Tourism Services Section

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S/N	Department/Unit/Section	Name	Title
13	Public Relations	PCO. Ms. Joyce J. Mgaya	Ag. Senior Assistant Conservation Commissioner - Public Relations Unit.
14	Procurement Management Unit	SCO. Mr. Is-haq S. Mbarouk	Ag. Senior Assistant Conservation Commissioner - Procurement Management Unit
15	Community Development Department	SACC. Mdala E. Fedes	Senior Assistant Conservation Commissioner - Community Development Section.
16	Cultural Heritage	SACC. Eng. Joshua M. Mwankunda	Senior Assistant Conservation Commissioner - Cultural Heritage Section.
17	Information and Communication Technology (ICT) Unit	SCO. Justine E. Chausi	Ag. Senior Assistant Conservation Commissioner - ICT Unit
18	Intelligence Unit	SACC. Vedastus J. Seda	Senior Assistant Conservation Commissioner - Intelligence Unit

The departments and Units of the Authority have the main functions as described herein:

**Table 12: The Units and Section of the Authority functions**

S/N	Units/Section	Function
1	Public Relations Unit	To create and maintain the positive image of NCAA.
2	Legal Services Unit	It is responsible for providing legal services to the Authority.
3	Internal Audit Unit	It is responsible for ascertaining compliance on adherence to the internal control systems, financials and operations that established NCAA to carry out its business economically and in an orderly manner.
4	Information and Communication Technology (ICT) Unit	To maintain and manage information systems and electronic business of the Authority.
5	Intelligence Unit	To provide accurate information to ensure security within and outside Ngorongoro conservation area.
6	Procurement Management Unit	To ensure efficiency and effectiveness support to the authority's operations through proper assets and contract management, availability of adequate storage facilities and timely acquisition of goods and services in line with public procurement legislations, government circulars and consideration of principle of conservation.
7	Protection Services Section	To protect natural and cultural resources of the Authority within and outside Ngorongoro Conservation Area. Further, proved security services to community and visitors within Ngorongoro Conservation Area.
8	Tourism Services Section	To develop and promote tourism attractions of the Authority both locally and internationally and collect and analyses tourism statistics.
9	Community Development Section	To provide veterinary services, pastoral services, social economic activities, education support, subsidized food and support to other community-based projects.

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S/N	Units/Section	Function
10	Wildlife and Range Management Section	To develop and implement strategies and programs for ecological <b>management</b> for both flora and fauna
11	Cultural Heritage Section	Protection, preservation, interpretation and promotion of the Outstanding Universal Values (OUV), Cultural Heritages including those of the World Heritage Sites (WHS) of Laetoli and Olduvai Gorge.
12	Infrastructure Section	It is responsible for the development and maintenance of all infrastructures of the Authority.
13	Human Resources and Administration Section	It performs all functions pertaining to human resources and administration and other <b>logistical</b> issues.
14	Planning and Investment Section	Formulation of sound planning policies and guidelines, the development of project proposals and programs, and the co-ordination of the preparations of strategic plans and budgets. Further, monitoring of the implementation of the Authority's <b>projects</b> .
15	Finance and Accounting Section	Responsible for all accounts and finance issues in accordance with the International Accounting Standards (IAS) and other regulatory frameworks.

### 2.10. INTEREST IN NET ASSET

The Authority is 100% owned by the Government through the Treasury Registrar. The net assets comprise of contribution of capital funds from the Government of Tanzania and accumulated surplus as follows;

	2022/23 TZS'000	2021/22 TZS'000
Capital Fund	7,510	7,510
Accumulated Surplus	56,574,904	75,684,000
Net assets	56,582,414	75,691,510

### 2.11. EXTERNAL FACTORS THAT HAVE INFLUENCE ON THE AUTHORITY'S BUSINESS

The NCAA like any other conservation institutions in our country is affected by the following external factors;

#### Political Situations

The political situation within the country has significant influence and impact not only on the tourism industry but also other economic activities. Emergence of political instability within the country will normally distort and slow down major economic activities. Effective political

stability within our country has continued to bring conducive working environment and positive impact on development of economic activities, including tourism industry.

#### **Pandemic diseases outbreak**

The emergence of pandemic diseases such as COVID-19 significantly impacted world-wide economic activities. During the exposure/emergence of COVID-19 in early March 2020, the Authority faced a challenge in its operation due to a shortage of tourists and tourism activities, especially from those countries which imposed travel restrictions and quarantines for their citizens. However, during the period under review, the Authority has recorded a significant increase in the number of tourists visiting the area, which impacted the increase of revenue from tourism activities after the exclusion of tourist restrictions from their country.

#### **The effect of Multiple Land Use model**

Among the unique features of NCA is the multiple land use, where wild animals and human (indigenous community) are found within the area. It has now a great challenge on operation of conservation activities where there is significant increase on local community and livestock population within the area. The effect on multiple land use has become to the point where human activities significantly affect the conservation activities within the area such as increased demand for social services.

On the other hand, the multiple land use model failed to clearly define the interests of indigenous community within the NCA through which the Authority has to protect and promote.

#### **Emergence of Invasive species within the Area**

Human activities within the NCA normally cause invasive species. Invasive species include both plants and animals, which affect the native species. The Authority experienced a slight effect on the emergence of invasive plants within the grassland area, reducing the area for wild animal grazing. However, the Authority took immediate action to combat such invasive plants to restore enough range of wild land animals.

#### **Effect of conflicting laws & policies and land use conflicts.**

On its establishment, the NCAA was given the authority to conserve the NCA Due to the concept of multiple land use; there is establishment of new villages which Local Government Authority

basically establishes as a different Authority and rules from NCAA. In the newly established villages, operations and activities conflict/controversial with the conservation activities.

#### **Drought and the effect of climate changes**

Drought and climatic change have slightly impacted tourism attractions and its infrastructure. In recent periods the authority experienced an impact on its infrastructures, especially within crater navigation roads, where some interior roads were affected and were not accessible. However, the Authority acted promptly to rescue the emerging situation by establishing temporary roads and restoring the damaged one to resume normal service operations.

#### **Tourism Infrastructure and technological advancement**

The emergence of effective tourism infrastructure and advances in technology has a significant impact and influence on Tourism activities. Restoration and modernization of our own Airlines/Airplane (Air Tanzania), improvement of some Airports, and Improvement of Ground travel facilities such as Roads have impacted transportation and movement of Tourists from one area to another. On the other hand, the impact of technology has necessitated the use of modern social media platforms on live streaming, such as YouTube, Instagram, etc., to advertise and promote the Authority tourism attractions within the NCA.

### **2.12. REMEDIAL ACTIONS TO ADDRESS THE CHALLENGES THAT INFLUENCED THE AUTHORITY SERVICE DELIVERY**

Given the main challenges affecting the existing purposes, the following conditions are necessary for ensuring that the significance and core values of the NCA are preserved;

- Prevent human, wildlife and livestock conflicts;
- Eliminate zoonotic;
- Improve tourism satisfaction, visitor experience and access to biodiversity and cultural heritage resources and Free the outstanding resource from degradation (erosion, pollution, deforestation) and its drivers;
- This condition will allow preservation of outstanding resources values of the NCA, and promotion of tourism development in the area. In specific the following measures are taken by management.

**Facilitated additional investment in lodges and hotels.**

The Authority have identified 10 new sites to be allocated to strategic investors. These sites are expected to be developed into lodges and hotels with an estimated total of 700 beds all together. With an assumption that the facilities will attract 70% occupancy rate annually, the Authority will be able to collect an estimated concession to the tune of USD 11,760,000, equivalent to TZS 27 billion. With a 70% occupancy rate, it is estimated that about 176,400 visitors will visit the Area annually, thus earning the Authority additional TZS24.3 billion as entrance fee. Assuming that 70% of 176,400 visitors checking in to these hotels will visit the crater, the Authority will earn additional TZS 7.6 billion annually.

**Construct hotel facilities for local tourists.**

To capitalize on an increasing trend of local tourists, the Authority planned to establish affordable supportive infrastructure (hostel, transport and restaurant) within the NCA starting with structural alterations of Chuo Kikuu and Makao primary school buildings after relocation of the NCAA HQ. It is expected that 25% of 500 thousand visitors per year will spend their night in the Hostels for TZS 70,000 earning the Authority an estimate of TZS 8.7 billion annually.

**Introduction of new tourism products**

To promote more visitors to visit the Area and increase the number of days spent by visitors in the Area, the NCAA intends to introduce about five new tourism products (night game drive, cultural tourism, canopy walk, rhino tourism and virtual tourism).

**Facilitate certification to ISO standards.**

With experience from other public and private institutions, it is evident that certification is a useful means to add credibility to visitors and other clients receiving our service. Certification helps to add value to our products and services by demonstrating a commitment to adhering to established international standards. The NCAA has engaged a competent certification body to review our services, operations and business processes and advice on the best relevant program to undertake for certification.

**Revive investors and tourism actors' forum.**

The NCAA acknowledges the importance of investors' forums. The investors and other actors can directly present their concerns, suggestions and issues before the management. Thus, the management is able to respond by clarifying issues, presenting current and ongoing initiatives for improvement and agree on solutions to various issues.

The forum will help to build trust and good relationship between the management and its customers. The forum will also help the management to get and accommodate the business and market thinking/perspective of the private sector in our products, projects and services. This is because the private sector is profit focused and hence, they continually work to explore customer and market needs and conditions and reflect the same in their products and services.

**2.13. AN OVERVIEW OF FINANCIAL STATEMENTS**

The financial statements present financial position, financial performance by nature and changes in net assets, cash flows, statements of comparison of budget and actual amount, and notes to the NCAA's financial statement as of 30 June 2023.

**2.14. FINANCIAL POSITION**

The Authority's financial position for 2022/23 is set out in the statement of the financial position as of 30 June 2023. Each item to the statement of financial position is as detailed below;

**Property and equipment**

Property and equipment comprise land, buildings, equipment, motor vehicles, office furniture, fittings and work in progress.

At the end of the financial year 2022/23 the carrying amount of property and equipment was TZS 59,791 million compared to TZS 50,081 at the end of the previous financial year 2021/22. The movement of annual depreciation decreased the carrying amount at the end of 30 June 2023. However, during the year under review, the Authority had additions on items of PPE, such as Moto vehicles (both light and heavy duty), heavy plants and machinery, office and hospital equipment, office furniture and fittings as well as transfer and capitalization from capital work in progress the construction of Mama Hau water treatment plant.

During the financial year ended 30 June 2023 the amount of work in progress was TZS 3,925 million compared to TZS 2,081 million in 2021/22. The increase was mainly associated with ongoing projects such as, Construction of New Head Quarter office at Kamyn Estate - Karatu, Construction of Entry gate and Visitor's toilet at Amboni - Tanga, construction of office at Mumba and Kimondo water project.

#### **Intangible Assets**

Intangible assets principally comprise the development of the Revenue Collection System (Safari Portal). At the end of the financial year 2022/23, the carrying amount of intangible assets was TZS 58.48 million, while during the financial year 2021/22 carrying amount of intangible assets (Safari Portal) was TZS 77.98 million. The decrease was mainly due to amortization charge during the financial year.

#### **Investment Property**

Investment Property comprise of Construction of Ngorongoro Tourism Centre (NTC) in Arusha City to earn rental income. For the financial year 2022/23 the amount of Investment property was TZS 45,012.82 million compared to TZS 45,917.54 million on the previous financial year 2021/22. The decrease in carrying amount resulted from depreciation Investment property measured at Cost.

#### **Cash and cash equivalent**

Cash and cash equivalent balance as at 30 June 2023 was TZS 7,304.74 million compared to TZS 16,775.15 million during the previous financial year ended 30 June 2022. The decrease of cash and cash equivalent balance by TZS 9,470.41 million was contributed by the settlement of matured outstanding obligations during the year. The outstanding balance of cash and cash equivalent as at 30 June 2023 was due to outstanding commitments of NCAA and suppliers/contractors through which was not matured until year end and the settlements is expected to be done in next financial year.

#### **Trade and other receivables**

The accounts receivables comprise unpaid invoices raised to customers, advance payments made to suppliers, contractors and staff receivable until 30 June 2023. The trade and other



receivables balance stood at TZS 3,096.51 million compared to TZS 13,371.69 million in previous financial year. The decrease on Trade and other receivables by TZS 10,275.18 million was significantly caused reduction in advance payment amount, in previous year 2021/22 the amount of advance payment was high due to advance payment to SUMA JKT for construction of 400 houses at Msomera Village in the last 2021/22 financial year.

#### **Inventories**

Inventories comprise stationaries, Spare parts and other consumables and sundry inventories not consumed during the financial year ended 30 June 2023. The inventory balance stood at TZS 2,949.03 million compared to TZS 2,725.58 million in previous financial year. The increase in Inventories was mainly due to remained items of spare parts which were not utilized until the year end.

#### **Payable and Accruals**

The Authority Payable and Accruals represent Trade payable, accrued charges and other payables. The outstanding trade and other payables during the financial year ended 30 June 2023 was TZS 18,736.19 million compared to TZS 7,667.14 million in previous financial year 2021/22. The increase by TZS 11,069.05 million was due to outstanding and matured commitment from suppliers and contractors as Trade payables, where by the funds was not received until the year end as well as increase in unclaimed amount to TRA which involve amounts collected by the Authority expected to be remitted to TRA upon completion of remittance procedures.

#### **Long term Liabilities**

Long-term liabilities comprise of Provisions in respect of retirement benefits, Borrowings /loan acquired from CRDB Bank Plc for the Construction of Ngorongoro Investment House in Arusha. During the year 2022/23, the Authority reported a decrease on non-current liabilities balance to TZS 43,005.92 million compared to TZS 44,154.42 million recorded from previous period 2021/22. The decrease was significantly contributed by repayment of CRDB Bank loan and payments and less provisions to Golden handshake as compared to Payment during the period under review.

### **Taxpayers Funds**

The taxpayers' funds comprise capital fund as initial capital contributed by the government upon establishing Ngorongoro Conservation Area Authority. The capital fund balance for the financial year 30 June 2023 stood at TZS 7.51 million; there were no additional capital funds during and in previous financial years.

### **Accumulated surplus**

The accumulated surplus for the financial year ended 30 June 2023 amounted to TZS 56,574.9 million compared to TZS 75,684 million during the previous financial year. The decrease on accumulated surplus was caused by deficit of TZS 19,109.1 million realized during the year under review. The deficit during the year, was due to settlement of expenditure which was previously carried over as commitments from suppliers and contractors from previous financial period 2021/22.

## **2.15. FINANCIAL PERFORMANCE**

During the financial year ended 30 June 2023, the Authority reported a deficit and adjustments of TZS 19,109.1 million compared to Surplus of TZS 13,869.62 million reported during previous financial year. The current year deficit was mainly contributed by the expenditure incurred on current year as a result of special operation on resettlement funds received on previous year 2021/22. Other reason being the decrease in fund received from the government subvention as compared to previous financial year. During the reporting period, 89% of the total revenue was received from Treasury, compared with 98% which was received in previous financial period. Detailed financial performance for 2022/23 is provided in the statement of financial performance for the year ended 30 June 2023. Each item contained in the statement of financial performance is as detailed below.

### **Revenue from Non-exchange Transactions**

Revenue from non-exchange transaction includes Government subvention, entry fees (residents and non-residents), crater guide fees, hotel concession fees, camping fee, vehicle entry fee, Olduvai fee, Bush lunches waking safari, landing fee, Filming and photographic fee and other products including Kimondo, Amboni caves fee. However, All Tour income collected by NCAA are directly collected through Tanzania Revenue Authority's (TRA) Bank Accounts. The

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Authority non-exchange transactions during the year 2022/23 were TZS 103,208.59 million compared to TZS 116,969.37 million reported in previous financial year.

During year under review all Tour income collected by NCAA were all direct channelled to TRA's Bank Accounts, the amount of tour income to TRA amounting to TZS 171,207.9 million (TZS 145,091.4 million VAT Exclusive) were collected. There was a significant increase of tour income compared previous years 2021/22 which amounted to TZS 91,543 million (TZS 77,579 million VAT Exclusive).

**Table 13: The following is a monthly analysis of the visitors, both local and foreign**

Months	Non-Residents	Residents	Total
July 2022	61,157	28,376	89,533
August 2022	70,887	36,350	107,237
September 2022	42,431	25,584	68,015
October 2022	44,398	26,084	70,482
November 2022	25,611	18,698	44,309
December 2022	33,284	30,067	63,351
January 2023	36,690	24,038	60,728
February 2023	43,939	24,037	67,976
March 2023	22,712	18,012	40,724
April 2023	16,013	15,516	31,529
May 2023	18,602	17,044	35,646
June 2023	42,665	30,141	72,806
<b>Total in 2022/23</b>	<b><u>458,389</u></b>	<b><u>293,947</u></b>	<b><u>752,336</u></b>
<b>Total in 2021/22</b>	<b><u>228,810</u></b>	<b><u>197,576</u></b>	<b><u>426,386</u></b>

### Revenue from exchange transactions

Revenue from exchange transaction includes electricity charges, water charges, rent, sale of maize among others. All Authority reported a decrease on exchange transactions amounted to TZS 431.39 million for the financial year ended 30 June 2023 compared to TZS 680.29 million for 2021/22. The decrease of revenue from exchange transaction was mainly contributed by decrease on sales of maize to local community residing within the NCA, because of the currently voluntary resettlement program to relocated local community to Msomera village and other areas outside the NCA.

#### **Other Income**

Other income include receipt from disposal of Property Plant and Equipment, sale of un-serviceable stock, sale of tender documents and other miscellaneous income. During the financial year ended 30 June 2023, the Authority reported a decrease on other income amounting to TZS 160.13 million compared to TZS 333 million in the previous financial year 2021/22. The decrease was mainly contributed by the reduction on receipt from disposal of PPE through which was realised on previous financial period 2021/22.

#### **Wages, salaries, and other employee's benefits**

The wages, salaries and other employee's benefits associated with Authority staff. The reported amount during the financial year ended 30 June 2023 was TZS 45,800.76 million compared to TZS 44,797.65 million in previous financial year. The increase in wages, salaries and other employees' benefits was mainly caused by the increase in number of employees new employed and transferred to NCAA staff. During the year, the number of employees increased to 735 from 680 reported in previous financial year 2021/22.

#### **Operating expenses**

During the year ended 30 June 2023 the Authority reported a decrease in operating expense to TZS 4,689.2 million as compared to TZS 6,844.19 million to the last financial year 2021/22. The decrease resulted from a decrease on cost associated with insurance and interest on long term loan.

#### **Administrative expenses**

During the year ended 30 June 2023, the Authority reported an increase on administrative expenses to TZS 53,769.61 million compared to TZS 32,235.08 million reported on previous period under comparison. The sharp increase was mainly contributed by additional cost of special operation on voluntary relocation of indigenous community from NCA to Msomera Village and special operation at Pololeti Game Controlled Area.

#### **Routine Repairs and maintenance expense**

During the financial year ended 30 June 2023 routine and repairs maintenance expenses was TZS 10,277.35 million compared to TZS 9,314.49 million reported during previous financial year.

The increase in routine repair and maintenance cost was due to an increase on cost associated with Outsource maintenance and contracting. The cost was mainly used on rehabilitation of interior NCA access roads channels during the reporting period.

#### **Social services and Transfers expenses**

Social services and Transfer expenses includes acquisition of Food ration to indigenous households, Purchase of mineral salt for indigenous community, vaccination programme for livestock keepers within NCA, to support livestock and water infrastructure through Ngorongoro District Council, purchase of Bee Hives, tuition fee and accommodation/subsistence allowance to students and transfers to other government institutions stakeholders in conservations among others. During the year 2022/23 the authority spent TZS 2,922.34 million compared to TZS 4,269.87 million reported from previous year. The decrease was mainly caused by low cost incurred on procurement of maize for indigenous community since they responded positively to cultivate their own agricultural produce outside NCA. On other hand there were low costs associated on facilitation of NPC meetings during the financial year compared to the previous financial year.

#### **Depreciation and amortization expenses**

During the year 30 June 2023, the Authority reported a decrease on Depreciation and amortization to TZS 5,555.94 million as compared to TZS 6,689.46 million reported on previous year 2021/22. The decrease was due to review of useful life on some of classes of Assets as per requirement of IPSAS 17 "Property plant and Equipment".

### **2.16. CASH FLOW STATEMENT**

The Authority cash flow is as set out in the cash flows statement. The three items under the cash flow statement are summarized below;

#### **Cash from operating activities**

During the year under review, the NCAA has cash net from operating activities totalling TZS 5,220.28 million while in 2021/22 net cash from operating activities was TZS 14,628.67 million with a decrease by TZS 9,408.39 million. The decrease on net cash inflow from operating

activities was mainly caused by the decrease on advance payment which was previously paid to SUMA JKT as upfront payment for construction of 400 houses at Msomera Village.

#### **Cash flow from investment activities**

During the financial year ended 30 June 2023, the Authority used a total of TZS 11,241.99 million as compared with TZS 6,209.52 million used in previous year. The amount in current year was spent to acquire various assets, such as Moto vehicles both Heavy and light duties, Heavy Plants and Equipment, Office and Hospital equipment, ICT equipment and its peripherals, furniture and fittings, Utility water piping and ongoing projects for construction of New Head Quarters office, Construction of Entry gate and visitors' toilets at Amboni - Tanga, and office at Mumba.

#### **Cash flow from financing activities**

During the year 2022/23 the Authority repaid a loan principal and its interests amount to TZS 3,448.71 million (TZS 3,592.5 million in previous period 2021/2022) to CRDB Bank Plc. The loan was acquired to finance Construction of Ngorongoro Investment House in Arusha city.

### **2.17. KEY PERFORMANCE INDICATORS DURING THE YEAR 2022/23**

Key Performance Indicators measure the nature and scope of efficiency and effectiveness of the Authority operations. The Key Performance Indicators are as per Corporate Strategic Plan on reporting service performance information that assists users of the financial statements to assess the Authority service efficiency and effectiveness. The implementation of the Rolling Strategic Plan is evaluated quarterly, basing on Key Performance Indicators and its report is compiled on a semi-annual and annual basis. The assessment of the performance includes both financial and non-financial aspects.

For 12 months (four quarters), the Authority has been able to implement a number of activities per its Strategic Plan 2021/22 - 2025/26 objectives by using NCAA 2022/23 budget. The Authority's KPIs and achievements for the period under review are as given in the table below:

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**Table 14: Key performance indicators during the year 2022/23**

Strategic Objective	Strategies	Targets/Planned Outcomes	Annual Targets	Achievements (Actual Progress)
HIV/AIDS and non-communicable diseases to employees reduced and supportive services improved	Implement programs to fight the spread of HIV/AIDS and non-communicable diseases at workplace and surrounding community.	Ten HIV/AIDS awareness seminars conducted by June 2026	To conduct two awareness seminars to staff on HIV/AIDS by June 2023.	One awareness seminar was conducted to 450 staff.
	Continue providing supportive services to people living with HIV/AIDS (PLWA)	People living with HIV/AIDS are 100 percent supported with basic requirements annually by June 2026.	To facilitate staff living with HIV/AIDS and confess voluntary are supported with basic requirement by June 2023.	One staff living with HIV/AIDS was supported with basic requirement.
		iii. NCAAA staff 100 percent facilitated with preventive measures by June 2025.	To facilitate 705 Staff with preventive measures by June 2023.	705 Condoms package were facilitated to staff.
National Anti-Corruption Strategy implementation enhanced and sustained.	Training to all NCAAA staff on the National Anti-corruption strategy.	Training on Anti-Corruption Strategy conducted by June 2026.	To train 705 staff on the National Anti-corruption strategy by June 2023.	450 staff were trained.
Biodiversity and cultural resources Sustained.	Enhance preservation, restoration and conservation of natural and cultural resources.	40 percent of NCAAA research priorities implemented by June 2026.	To coordinate research works and facilitate two (2) researches by June 2023.	One (1) ongoing Research on Long term impact of infrastructures Development has started.
			To conduct 2 meetings for research advisory committee and reviewing research findings by June 2023	Two (2) meetings for research advisory committee were conducted.
		Two (2) Wildlife Corridors Secured by 2026.	To conduct 3 Workshops and field survey for securing, demarcating and mapping of wildlife corridors by June 2023.	One (1) workshop meeting was conducted for Awareness creation and preparation of Action plan.
		26 Conservation Education Programs increase within and around NCA by June 2026.	To participate in 22 Ward Development Council meetings to strengthen awareness on conservation education by June 2023.	3319 People Adjacent NCA benefited from Conservation awareness education.
			To collaborate with Malihai Clubs of Tanzania to conduct 5 awareness Programs in Five districts bordering NCA by June 2023.	Two (2) awareness programs were conducted in collaboration with Malihai clubs on Tree planting and Environmental Conservation.

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Strategic Objective	Strategies	Targets/Planned Outcomes	Annual Targets	Achievements (Actual Progress)
		Seven cultural heritage assets developed and maintained by June 2026	To facilitate development of new exhibition at Kimondo site by June 2023	Two new museum exhibitions at Kimondo Museum and Olduvai junction developed, installed and opened to the public
			To facilitate Museum exhibition maintenance/ upgrade at Olduvai, Kimondo, Amboni, Laetoli and Mary Leakey living Museum by June 2023	Exhibitions captions/information at Dr. Mary Leakey Museum and Faru Fausta exhibition upgraded, re-printed and installed
			To improve access and interpretation panels for seven (7) cultural heritage sites and geosite to enhance visitors experience by June 2023	Two houses at Dr. Mary Leakey Museum rehabilitated Two walking trails at Olduvai and Amboni walkway improved and maintained.
			To facilitate extension of cultural heritage sites at Kimondo by June 2023	5 Sign posts for Kimondo site designed and installed Brochures for 7 sites developed and produced
			To facilitate restoration of ancient Engaruka ruins and irrigation scheme, Engaresero footprints and Mumba by June 2023	179.4 acres of land valued for compensation, awaiting payments and acquisition.
			To facilitate conservation of Laetoli, Engaresero footprints by June 2023	Three acres of irrigation farrows at Engaruka ruins site restored
				Two localities for animals and bird's footprints at Laetoli restored and maintained
				Vegetation /plant roots at two Laetoli hominin footprints sites controlled and maintained
				Conservation and monitoring protocol for animal and birds' footprints sites at Laetoli developed
				1000ha affected by invasive plant species was surveyed and mapped.
Improve rangeland management practices through scientific-based approaches.		5,000 ha of NCA rangeland affected by invasive plant species recovered by June 2026.	To conduct survey and mapping of 1,000 ha affected by invasive species within NCA Crater floor by June 2023.	
			To control invasive plant species by uprooting in 1,000 and by mowing in 4,000 ha within NCA Crater floor by June 2023	2731.48ha was controlled by mowing and uprooting within the NCA Rangelands.
Enhance preservation, restoration and		25000 ha of NCA degraded rangeland restored by June 2026.	To conduct monthly rangeland data collection, 2 workshops to strengthen indigenous grazing plans and prescribed	2150ha was burnt for forage Improvements, weather data were monthly collected.



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Strategic Objective	Strategies	Targets/Planned Outcomes	Annual Targets	Achievements (Actual Progress)
	Conservation of natural and cultural resources.		burning of 2500ha at NCA Crater floor and Ndutu areas by June 2023	
			To collaborate with TAWIRI, CAMARTEC and UDOM to conduct Control of Eleusine jaegeri and reseedling in established pilot plots by June 2023.	Baseline Survey for Dry season distribution, abundance and diversity of Invasive plant species was conducted.
		Wildlife species 100% managed by June 2026.	Wildlife count and population trend monitoring conducted in NCA by June 2023	Four wildlife count were conducted (wet and dry) and 22 collared elephant groups monitored.
		20 environmental compliance inspections to facilities/projects conducted by June 2026.	To collect data and raise 6 awareness on Human Wildlife Conflict in and adjacent NCA by June 2023.	Six Villages adjacent NCA have been provided with education on how to protect against problematic animals.
			To conduct 4 inspections to lodges and tourism facilities by June 2023	Six (6) Environmental Compliance Inspections were conducted facilities and Projects within NCA.
Strengthen institutional capacity to combat illegal activities			To develop Guidelines for NCA environmental inspection by June 2023	One (10) workshop to develop Environmental inspection checklist, and awareness creation on EIA process was done to 85 Stakeholders.
		To facilitate 6 joint antipoaching operations within NCA by June 2023	Facilitate six (6) joint ant-poaching operations between zones within NCA as planned	Six (6) joint ant-poaching operations were conducted between zones within NCA as planned
		To improve endangered species (Rhino) Protection activities: collaring (20), ear notching (30), Translocation and use of modern technology. by June 2023	Undertake endangered species (Rhino, and others) Protection activities: collaring (20), ear notching (30), Translocation and use of modern technology. by June 2023	A total of nine (9) male rhinos were fitted with VHF Transmitters and five (5) rhinos were fitted with transponders.
				Three Rhinos were received from Kenya and put in captivity. They were also collared before being released to the wild.
				Installation of trap camera, in some potential rhino habitat, the cameras have so far yielded positive results as they have been able to capture images of some of the rhinos moving from the crater floor to other areas such as the edge of the crater and the Northern Highland Forest Reserve

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Strategic Objective	Strategies	Targets/Planned Outcomes	Annual Targets	Achievements (Actual Progress)
				The number of rhinos has continued to increase over the past year, by June 2023, there is an increase of 12 rhinos.
				Assessment of the level of food for white rhinos from by experts from South African expert in collaboration with other conservation institutions conducted
	Encroachment of NCA boundaries and core wildlife habitat prevented	To clear 200km of fire-line boundary, maintenance of NCA Boundary and erection of 50 intermediate beacons by June 2023	The clearance of 200km Fireline along NCA boundary and erection of beacons by June 2023	The total of 203km of fire line were cleared along NCA boundary 42 beacons were erected by June 2023
	Develop and implement mechanisms to manage human wildlife conflict within and adjacent NCA.	To reduce human wildlife conflicts by conducting patrols within and adjacent NCA by June 2023	To conduct 5,400 night time patrol man days to secure neighboring farms from marauding animals by June 2023	The NCAA managed to conduct 4,371 night time patrol man days to secure neighbouring farms from marauding animals by June 2023. All reported incidences on human wildlife conflict attended and controlled. All qualified affected people were consoled. Four sites for construction of ranger posts in hotspot areas in four (4) District out of eight (8) has been identified. Construction of one ranger post in Same District is at foundation stage.
		To conduct 6 thematic meetings to reduce human wildlife conflicts by June 2023	Conduct four 6 thematic meetings to reduce human wildlife conflicts by June 2023	Six (6) thematic meeting were conducted, as planned to reduce human wildlife conflict by June 2023
	Creation of community awareness of the importance of the biodiversity and cultural resources	100 awareness events of cultural heritage resources conducted by June 2026	To organize 5 events on Geopark day, World Heritage Day, International Museum Day, World asteroid day and Zinj day Cultural Heritage events for promotion by June 2023.	Two International conferences (UNESCO Conference on World Heritage Sites in December 2022 and the 2nd International Conference on Astro tourism in June 2023) organized
			To conduct heritage education programs to 5 Universities, 5 secondary schools and	World Asteroid Day 2023, organized and celebrated One new program about space education in relation to meteorite (kimondo) developed.

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Strategic Objective	Strategies	Targets/Planned Outcomes	Annual Targets	Achievements (Actual Progress)
Tourism services improved			5 primary schools to popularize Geopark and Cultural heritage resources by June 2023 To facilitate and organize one cultural heritage workshop to enhance professional performance and conduct by June 2023 To facilitate expert participation in mandatory UNESCO MaB WHS Geopark International meetings conferences and scientific symposiums by June 2023	2 training programs about space education conducted and one guiding manual developed and produced Five (5) International conferences and workshops and 6 National workshops attended and participated
		WHS, MaB and Global Geopark 100 percent maintained by June 2026	To facilitate 4 Geopark Committee meetings by June 2023 To conduct 4 meeting with tourism stakeholders tour operators and hotel owners in Arusha and Moshi by June 2023	Two (2) steering committee meeting organized and conducted 4 meetings with stakeholders were held to solve complaints and escalate information.
	Enhance marketing of tourist attractions	Reduce customer complaints by 50% by June 2026	To conduct routine and periodic maintenance from Loduaire gate to Golini 83km and access road to Olduvai Museums to Naseri RockPyaya road 57KM by June 2023 To conduct periodic maintenance of 78km road from View point Via Empakaai to Naiyobi by June 2023 To conduct 110 km periodic and routine maintenance of Crater roads networks and 70 km Ndutu Road networks by June 2023 To construct 25 km new road from Ndutu to Endulen at gravel standard phase I and II by June 2023 To facilitate general repairs and Maintenance of premises Headquarter zonal and Outpost stations - under NCAA by June 2023	83km road from Loduaire to Golini, 5km access road to Olduvai Museum and 52km road from Olduvai Museum to Naseri Rock were maintained Engaged contractors contractually in two (2) lots for rehabilitation of 78km road and progress is at 100% completion. 100km crater road network was maintained and 70km Ndutu road networks were maintained Engaged a contractor for construction of the 20km new road and progress is at 32%
	Improve infrastructure in collaboration with private sector	606km road network maintained annually by June 2026		Tourist facilities were repaired and maintained at Simba A Campsite and Leraï picnic site and progress is at 100%

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Strategic Objective	Strategies	Targets/Planned Outcomes	Annual Targets	Achievements (Actual Progress)
Well-being of indigenous community improved;		Access to clean and safe water increased from 56 to 85 percent by June 2026	To facilitate repair and maintenance water supply and sewage system in all tourism facilities toilets by June 2023 To facilitate water quantity and quality analysis and management at NCA by June 2023 To facilitate water quantity and quality analysis and management at NCA by June 2023 To facilitate water quantity and quality analysis and management at NCA by June 2023	Water supply and sewerage systems were repaired and maintained Water quality and quantity has been assessed on NCA water sources Water quality and quantity has been assessed on NCA water sources Water quality and quantity has been assessed on NCA water sources
		Power supply infrastructures in 72 sites developed and maintained by June 2026	To facilitate provision of power supply by June 2023 To repair 33KV and 11 KV Power Transmission Lines by June 2023 To repair power utilization points and energy monitoring systems at NCAAA NTC Amboni Kimondo and Njiro office by June 2023 and to repair and maintain 5 Solar power systems at crater post by June 2023	Power supply was provided within and outside NCA Power transmission lines were repaired Power utilization points and energy monitoring systems were maintained Solar power systems were repaired and maintained
	Promote sustainable education for NCA children.	Access to Education services to 3,200 improved by June 2023	To support Community indigenous students in secondary, middle colleges and universities by June 2023 To support porridge program by providing 22,000Kg, 10,000Kg and 1,000Kg of flour, sugar and margarine respectively to 27 primary schools and one orphanage center within NCA by June 2023	2,110 community students supported with tuition fee accommodation allowance and transport allowances 22,000Kg, 10,000Kg and 1000Kg of flour, sugar and margarine were provided to the 27 primary schools and one orphanage center.
	Promote sustainable community health to households relocated to Msomera	Extension services to 551 households relocated to Msomera provided by June 2023	206 households relocated to Msomera were sensitized to register and join improved Community Health Fund (iCHF) by June 2023	171 households registered and issued with iCHF identity card
	Promote sustainable food security for community within NCA	To ensure food security for local community by June 2023	To develop sustainable agricultural strategy for community outside NCA by June 2023	310 households relocated to Msomera trained on good agricultural practices

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Strategic Objective	Strategies	Targets/Planned Outcomes	Annual Targets	Achievements (Actual Progress)
Corporate service delivery improved	Promote economic empowerment to NCA community	To support bee keeping groups to increase production of honeybee products at Meatu Monduli and Karatu by June 2023	To conduct capacity building training to 91 mentors from groups on modern beekeeping practices within and adjacent NCA by June 2023 To conduct feasibility study for establishment of api tourism by June 2023	110 mentors from 55 beekeeping groups trained on modern beekeeping practices Api tourism document produced
	Develop human resources capacity and equip with basic working facilities	To facilitate Training needs assessment, short course and paramilitary training by June 2023. Level of provision of basic working tools and utilities increased from 50 to 80 percent by June 2026.	To facilitate 30 long term and 250 short training at Melele and other institutions by June 2023 To train 20 drivers by June 2023 To facilitate 166 motor vehicle operation by June 2023.	25 long term and 250 short training were facilitated. 20 drivers were trained 166 motor vehicles were operationalized.
			Construction of new NCAA HQ buildings at Kamryn estate in Karatu District by June 2023	Architectural drawings, structural design, Environmental impact assessment Report and Cost Estimate of Buildings completed and preliminary construction were operationalized.
			To facilitate office Utility Services by June 2023.	Office Utility Services were paid.
		Level of provision of basic working tools and utilities increased from 50 to 80 percent by June 2026.	To review and audit NCAA expenditures salary payment, purchases of fuels, purchases of spare parts, purchases of vehicles and cost of maintaining roads by June 2023 To facilitate 10 staff, attend 6 professional workshops and seminars by NBAA, IIA-TANZANIA, PSPTB, PPRA, INTERNAL AUDITOR GENERAL by June 2023	NCAA expenditures including salary payment, purchases of fuels, purchases of spare parts, purchases of vehicles and cost of maintaining roads were reviewed and audited. Ten internal Audit staff, attended 6 professional workshops and seminars provided by NBAA, IIA-TANZANIA, PSPTB, PPRA and INTERNAL AUDITOR GENERAL.
Improved service delivery performance		721 NCAA Staff Welfare secured by June 2026	To provide Vaccination to 900 peoples in 25 Villages by June 2023 To facilitate 12 outreach services to 11 villages by June 2023	525 people were vaccinated in 25 Villages. 12 outreach services to 11 villages were facilitated.

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Strategic Objective	Strategies	Targets/Planned Outcomes	Annual Targets	Achievements (Actual Progress)
Financial resources mobilization and management enhanced	Strengthen mechanisms for financial and operational resources mobilization; Enhance monitoring and evaluation	Annual budgets and reports prepared annually by June 2026; Diversification increasing the	To facilitate 10 health service training to ten health staff by June 2023	Five health service training to ten health staff were facilitated.
			To provide health services to 1500 inpatient and outpatient at NCAA Dispensary by June 2023	2300 inpatient and outpatient Health services at NCAA Dispensary were provided.
			To facilitate provision of medicine to 3000 outpatient and inpatient by June 2023	2500 outpatient and inpatient were provided medicine.
			To facilitate referrals to 100 patients by June 2023.	137 patients were referred.
			To facilitate Games and Sports activities to 705 Staff by June 2023.	Games and Sports activities to 100 Staff were facilitated through departmental and other competition.
			To facilitate payment of allowances to 721 staff by June 2023	721 staff were paid allowances.
			To facilitate transfer of 20 Staff by June 2023	47 Staff were facilitated.
			To facilitate Recruitment of 46 new staff by June 2023	50 staff were employed.
			To facilitate leave for 705 staff by June 2022	Leave to 705 employees were facilitated
			Terminal Benefits to 16 prospective retirees and NIC contribution facilitated by June 2023	NIC contribution were paid
			To prepare mid-year review and budget reallocation by June 2023	The mid-year review and budget reallocation was completed in December 2022.
			To coordinate preparation of annual plan, budget, action Plan and Cash Flows by June 2023.	Annual Budgets for FY 2023/24, budget action plan and cash flow prepared and in place
			To prepare and convene 2 budget committee meetings by June 2023.	Two (2) budget committee meetings were conducted.
			To conduct monitoring on budget implementation and preparation of NCAA quarterly and annual report by June 2023	Four (4) quarterly performance report and the annual performance report for the FY 2022/23 were prepared
To conduct 5 days training to 40 staff in budget preparations and application of Budget Management System by June 2023				32 budget officers from different user departments were trained on budget preparations and application of Budget Management System

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Strategic Objective	Strategies	Targets/Planned Outcomes	Annual Targets	Achievements (Actual Progress)
		Diversification and increasing the investment portfolio size by 20 percent by June 2026	To conduct survey and develop proposal on development projects and new investment opportunities within and outside NCA by June 2023 To establish the value of existing investment portfolio by June 2023 To operationalized Ngorongoro Tourism Center and facilitate conference activities by June 2023	Survey of three prospective development sites was conducted and four development proposals have been made whereby two are awaiting the Ministerial approval Valuation of 4 (two) out of 10 (ten) lodges has been completed. Occupancy rate of 87.07% for the NTC building, with a total of 37 tenants from both the public and private sectors was achieved
		Monitoring and Evaluation Manual developed and operational by June 2026	To conduct Monitoring and Evaluation of Investment development projects by June 2023	The section is persistently monitoring the projects implemented by NCAA. Among the total of 19 projects, only 12 are currently in various stages of implementation, while 5 projects have been temporarily halted, with funds redirected to the Pololeti project. Additionally, only 3 projects are currently in the procurement process.
			To establish NCAA projects, tourism and investment database June 2023	The section has made progress in the development of NCAA statistical database and has successfully completed the planning of investments for five areas: Cultural heritage, Tourism services, Protection services, and Wildlife range management.
	Improve financial management systems	Level of compliance to financial standards and regulations attained by 100% by June 2026;	To facilitate implementation of Monitoring and Evaluation plan by June 2023	NCAA has persistently overseen the projects as per the yearly monitoring schedule.
			To review and audit NCAA electronic systems: Safari Portal, Budget Portal, Research Database, PMU System, ADV, E-Office etc by June 2023	Authority Electronic systems such as Safari Portal, Budget Portal, ADV and E-Office were Reviewed and Audited.
			To make follow up on External Auditors Recommendations by June 2023	All previous financial year External Auditors Recommendations on management letter were reviewed and monitored.
Enhance monitoring and evaluation.	Adherence to Procurement legislations increased from 84.5% to 100% by June 2026;	To review and audit Tenders, Contracts and Assets by June 2023	All Tenders Contracts and Assets during the financial year ended, were reviewed and audited.	

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Strategic Objective	Strategies	Targets/Planned Outcomes	Annual Targets	Achievements (Actual Progress)
		Level of compliance to financial standards and regulations attained by 100% by June 2026	To review collection and payment systems controls in order to minimize costs and loss of revenue by June 2023	Payment and collection system controls were reviewed
			To facilitate staff to attend finance and accounting professional seminars by June 2023	26 Accounts department staffs attended Professional seminars and workshops and were trained and awarded CPD hours.
			To prepare 2022/23 financial statements by June 2023	Monthly, and quarterly financial reports and financial statements for the year 2022-2023 were timely prepared
			To prepare 2022/23 financial statements by June 2023	Monthly, and quarterly financial reports and financial statements for the year 2022-2023 were timely prepared
			To undertake statutory audit by June 2023	Statutory Audit for the Financial year 2022-2023 was timely done as per CAG schedule of requirements.
			To prepare 2022/23 semi-year financial statements by June 2023	Semi-year financial statement for the year 2022-2023 was timely prepared
			To undertake 2022/23 annual stock taking by June 2023	The Annual stocktaking for the financial year 2022-2023 was successful done
			To collect revenue from all sources by June 2023	Achieved to collect Tsh.176.6 billion from all sources for the year of income 2022-2023 ; an increase of 88% compared to Tsh.93.6 billion collected during the year 2021-2022



## 2.18. RISK MANAGEMENT AND INTERNAL CONTROL

The Board is accountable for risk and is responsible for oversight of the risk management process. It is also committed to identifying, monitoring and managing risks associated with the NCAA's business activities. The Authority Board of directors accepts final responsibility for the Authority's risk management and internal control systems. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the Authority's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviours towards all stakeholders.

Any internal control system's efficiency depends on the strict observance of prescribed measures. There is always a risk of non-compliance with such measures by staff. Whilst no internal control system can provide absolute assurance against misstatement or losses, the institution system is designed to provide the Authority Board of Directors with reasonable assurance that the procedures are operating effectively.

The Authority Board assessed the internal control systems throughout the financial year ended 30 June 2022 and is of the opinion that they met accepted criteria. The Authority Board carries risk and internal control assessment through the Audit Committee.

### Risk and Internal Control Assessment

The Authority management must establish and maintain an effective internal control system. The Audit Committee continues overseeing these controls and reviews the effectiveness of the system as a whole. The performance of the Authority internal control system is being assessed through continuous monitoring Authority's activities which is done by Internal Audit Department. Risk assessment is being carried out to determine how identified risks can be mitigated so that the Authority objectives can be achieved.

### Safeguarding the Authority's Assets

The Authority Board is responsible for safeguarding the assets of the Authority. Safeguarding assets include the methods of protecting and maintaining the Authority's daily operations. The Authority's Financial Regulations have provided for the methods of safeguarding the Authority's assets Other Policies, Strategies and Regulations

The Authority has in place various policies and regulations including; NCA protection strategy, Financial Regulations, ICT policy, Schemes of Service, Authority Staff Regulations, NCA Tourism

Marketing Strategy, Tourism Destination Plan, Integrated waste management plan, NCAA Guide for accommodation facilities, General, Management Plan, Project Management Guideline, Conservation and education, Plan and strategy 2017-2026, Rhino Conservation, Management strategy, Food security strategy, Water management strategy and Multiple land use plan model. These policies were prepared to strengthen the internal controls and promote efficiency within the Authority's operations.

#### **Water Quantity and Quality Issues**

Despite the fact that water availability is an essential element in the management of all resources and human activities in the Ngorongoro Conservation Area (NCA), available information on hydrological status in terms of water usage, and water quality in NCA is limited. Increased use of water resources by both tourist facilities and domestic use in the proximity of the Ngorongoro Crater rim, including increasing water boreholes around NCA particularly in Karatu and Mang'ola areas has been perceived to disrupt natural water regimes and patterns, although there is insufficient data to confirm or refute this concern. Coupled with continued drought in the region, water shortage in NCA over the recent past has continued to affect the local people and wildlife in the area. Considering the scenario, the Authority commissioned a study on hydrology of the area whereby a report has been prepared and is being used to finalize the development of an Integrated Sustainable Water Management Plan. The plan is envisaged to guarantee sustainable availability and use of water resource.

#### **Wildlife-livestock Diseases Interactions**

Being a multiple land use area where pastoralists and their livestock live alongside wildlife, contacts between wild animals and livestock cannot be avoided. Among the challenges originating from this situation is the transmission of diseases from both sides. Main diseases affecting cattle are tick-borne diseases, especially ECF, anaplasmosis, babesiosis and theileriosis. Others are trypanosomiasis, F&MD, anthrax, MCF, CBPP, helminthiasis, mastitis, tuberculosis, eye infections, otitis and abortions. For small stock; problematic diseases are heart-water, pneumonic pasteurellosis, CCPP, helminthiasis, diarrhea, foot-rot, Rift Valley Fever, anthrax, mange and fleas.

Some of the animal diseases in NCA are new and others are recurring. In view of this, NCAA has continued to engage and collaborate with various experts; including Tanzania Wildlife Research Institute (TAWIRI) in carrying out studies on zoonotic diseases in the NCA. Subsequent to the reports, NCAA has enhanced implementation of its livestock vaccination programs to alleviate the prevalence of zoonotic disease in the area. In addition, to minimize some of the diseases NCAA is in the process of finalizing a Livestock Improvement Strategy.

#### **Area Blockage of Wildlife Movement Routes**

The Serengeti and Sale plains within the NCA are well known to play an important role in the annual wildebeest migration in the Serengeti ecosystem. The plains in the NCA also serve as the primary calving area for the migrating wildebeest. Other wildlife movements within the

NCA have had little study beyond the Ngorongoro Crater. Preliminary discussions with NCAA staff, NCA indigenous residents, and researchers indicate a network of trails and corridors linking the highland forests and Ngorongoro Crater with the Serengeti Plains. On the plains certain places appear to be important nodes for wildlife, such as the Olbalbal depression and the Ndutu area. In recognition of the potential blockage of the trails and corridors, NCAA under the directive and supervision of the Minister for Natural Resources and Tourism has finalized a survey by a multidisciplinary team of experts to determine conservation bottlenecks in the area and a way forward with a view of examining validity of the existing Multiple Land Use Model of the area. The report, which will, among others, address the problem of wildlife movement routes in the area, has been submitted to the Ministry (MNRT) for approval, and subsequent directives of implementation of the recommendations therein.

#### **Livestock-wildlife Grazing Issues**

There has been a general trend towards reduced pasture for livestock. The expanded wildebeest population on the Serengeti plains and the associated increased risk of cattle contracting malignant catarrh fever (MCF) during wildebeest calving, coupled with drought, have forced many pastoralists to keep their herds in the highlands for extended periods. This has resulted in an increase in tick-borne diseases, particularly East Coast fever (ECF), and localized overgrazing. Of particular concern is the extent of potential pasture in the Crater Highlands occupied by two unpalatable grasses, *Eleusine jaegeri* and *Pennisetum schimperi* and mole rat infestations. Both problems have been attributed to overgrazing or lack of fire, but the exact causes have not been conclusively determined. NCAA commissioned a number of studies to TAWIRI and Nelson Mandela, African Institution of Science and Technology (NM-AIST) since early 2018, which include identification and mapping of invasive plant species, strategies to control invasive plant species and enhancement of programs for mechanical and physical elimination of a select of invasive plant species. Preliminary reports have shown that measures to control invasive plant species must also consider restoration of the invaded areas. Application and scaling out of the research results is scheduled to take place in the 2021/22 financial year. Furthermore, following the expected report by the Multiple Land Use Model multidisciplinary team, efforts to address the problem of livestock - wildlife grazing areas, particularly adaptive land use planning, will be enhanced.

#### **The Multiple Use Models of NCA and Human-Wildlife Conflicts**

Analysis of the management of NCA indicates that the multiple use model of NCA faces severe challenges because, among others, it does not accurately promote the interests of indigenous communities. Hunger and poverty were mainly caused by the law, which established the multiple use principles in 1959 because the legislation restricts agriculture and other key economic activities. Continued attacks of people and livestock by wildlife cause pains to the community and create a hostile relationship between the local community and the Authority. Increase number of people, wildlife and human activities further create adverse impacts on the NCA scarce environmental resources. In addressing this challenge, the report of the multidisciplinary team of experts which was formed by and recently submitted to the Minister

for Natural resources and Tourism is expected to provide recommendations on better management of NCA.

#### **Invasive Species in NCA**

Invasive plant species (native and exotic) continued to cause problems during the period under review. Invasive alien plant species have been identified as one of the main threats to ecological and economic future of the NCA and thus need to be well managed to sustain the natural functioning and economic productivity of the area for the benefits of the local communities, the tourism industry, the NCAA, the region and the nation as whole. Due to financial resources, invasive species are prioritized for proper management based on the number of criteria including; high ecological impacts, low abundance, priority site, suitability for wildlife etc). The species that were prioritized included and not limited to:

*Pathernium hystrophorus*, *Lippia javanica*, *Amaranthus caudatus*, *Tagetes minuta*, *Lantana camara*, *Senna didymobotrya*, *Gutenbergia cordifolia*, *Eleusine jagari*, *Chromolaena odorata*, *Datura stramonium*, *Bidens schimperii*, *Heliotropium steudneri*, *Xanthium strumarium*, *Azolla filicoides*, and *Argemone mexicana*.

#### **Financial risks**

This is the risk that the Authority may fail to meet its financial obligations. For instance, the Authority may fail to pay creditors or cover the committed credit facilities and working capital requirements as budgeted for the respective financial year.

#### **Liquidity Risk Management**

The Authority ensures that it has sufficient cash to meet its liabilities as they fall due with a sufficient margin to meet unexpected expenses that may arise from time to time.

#### **Exchange Rate Risk Management**

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

#### **Credit Risk Management**

The risk of failure by a counterparty to meet its contractual obligations to the Authority particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the Authority's capital or current (revenue) resources.

Due to a small number of individual trade debtors, the concentration of credit risk with respect to trade receivables is greatly reduced. The Authority exposure to credit risk is reflected by the carrying amount in the Statement of Financial Position for cash and cash equivalents and receivables.

### **Legal and Regulatory Risk Management**

The Authority ensures that it does not breach its constitutional and statutory powers and regulatory requirements. It will ensure that there is evidence of counterparties' powers, authority, and compliance in respect of the transactions they may enter into with the Authority. In so far as it is reasonably able to do so, the Authority will seek to minimize the risk of future legislative or regulatory changes impacting adversely on the Authority.

### **Compliance with Laws and Regulations**

The principal functions and operations of the Authority are governed by the NCAA Charter and Rules, 2007. The Authority Board confirms that the activities and operations of the Authority were conducted per the Charter and Rules and there was no non-compliance with other applicable laws and regulations that would have a material impact on the Authority's financial statements for the year ended 30 June 2023.

### **Reliability of Accounting Records**

The Authority has employed skilled and competent staff in Finance & Accounting and Internal Audit Departments, and has in place, a computerized accounting system (ADV/Budget Portal). Accordingly, proper books of accounts have been maintained and the financial statements are prepared and presented in compliance with the International Public Sector Accounting Standards (IPSAS).

## **2.19. ENVIRONMENTAL CONTROL PROGRAMME**

NCAA monitors the impact of its operations on the environment, mainly through the use of power, water and generation of waste. NCAA has an Integrated Waste Management Plan that provides guidelines and mitigation measures to manage all waste produced from staff premises, offices, hotels, and lodges operating within the conservation area.

The NCAA continuously minimises the negative impact on the environment by complying with mitigation measures, as spelt out in the various Environmental Impact Assessments reports, Management Environment Policies and procedures and in accordance with the Environment Act 2004, and its regulations of 2005.

## **2.20. SOLVENCY**

The Authority Board confirms and accepts that International Public Sector Accounting Standards (IPSAS) have been followed and that the financial statements have been prepared on a going concern basis. The Board has reasonable expectation and assurance that the NCAA has adequate resources to continue in operation for the foreseeable future.

**Table 15: The Authority's liquidity ratios and working capital is summarized below: -**

Liquidity ratios:	<u>2022/23</u> TZS '000	<u>2021/22</u> TZS '000
Current ratio	0.82	3.4
Acid test ratio	0.64	3.1
Working capital	(2,962,040)	22,224,405

Based on a statement of financial position, the Authority's total current liability as of 30 June 2023 was TZS 16,312.3 million, compared to TZS 8,742 million as of 30 June 2022. Total net assets were worth TZS 13,350.2 million as at 30 June 2023 as compared to TZS 32,872.4 as at 30 June 2022. Thus, the Authority's state of affairs as at 30 June 2023 is shown in the accompanying statement of financial position.

## **2.21. KEY MILESTONES ATTAINED DURING FINANCIAL YEAR 2022/23**

During the year ended 30 June 2023, the NCAA attained the following key milestones:

- During the financial year under review, the Authority has collected a total of TZS 176,018.3 million (TZS 171,207.9 million as tour income and a total of TZS 4,810.4 million as other non-tour income) which was channelled to Tanzania Revenue Authority (TRA) account who's the mandate to collect all monies payable to the Authority income was given by the amendments made on Finance Act of 2020. This was the highest record attained by the Authority compared with the rest of other previous financial years (TZS 91 billion in 2021/22);
- The Authority continued on sensitization to NCA indigenous community and other stakeholders on importance of NCA to conservation and tourism on one hand and available opportunities outside NCA for livelihood improvement of the community. During the year under review, The Authority continued to sensitize and register local community members who are ready to voluntarily relocate outside NCA. However, a total of 551 households (3010 people) have already been relocated to Msomera and other places;
- Improved investment environment through identification of potential investments sites for strategic investors whereby a total of ten potential investments sites were earmarked and five strategic investors were allocated sites for development;
- Maintained and improved road network with a total of 606 km through acquisition of road equipment, Dump Trucks, capacity building to personnel and during the period under review the road network was passable throughout the year. A total of 1000ha affected by Invasive plant species was surveyed and mapped;
- Restoration of degraded areas: A total of 2,731.48ha through prescribed burning and mowing using acquired machines. Total number of 362,520 seedlings were produced and 255,685 tree seedlings were distributed and planted within and outside NCA.
- The Authority have maintained Geopark sites status in the world;

- Maintained and improved security of natural and cultural resources through transformation to paramilitary reforms and notching of black Rhino for ease tracking and monitoring through use of digital emerged technology such as LoRa system;
- The Authority Managed to venture into new emerging market through participation to national and international platforms including DUBAI EXPO, Exhibitions, road shows, Ambassadors Offices and NCAA livestreaming media.
- Stakeholders' engagement;
- Improvement of NCAA cultural sites to through construction of walking trails and acquisition of additional land at Amboni Caves sites; and
- Increased number of tourists visiting NCA as result of stabilizing economic and social activities post covid 19 outbreak across the world and lodging of the Royal Tour Film.

## 2.22. FUTURE DEVELOPMENT PLANS

The Authority has a Corporate Strategic Plan (CSP) (2021/22-2025/26) that was approved by the Board of Directors in 2020. Authority's Corporate Strategic Plan is a broad-based document which provides the foundation and framework for long-term vision of the Ngorongoro Conservation Area Authority (NCAA). The CSP outlines in a systematic and dynamic manner the Authority's past trends and current situation, desired future conditions, means of achieving the desired future conditions and how best to achieve the desired future of the Ngorongoro Conservation Area (NCA). In the next two years, the CSP shall serve as a framework for strategic decisions by the Board, assists in rational allocation of limited resources of the Authority, guides continuity in the management of the Authority and act as a public relations tool for seeking strategic support from partners. The plan also outlines major risks of the Authority and how to address them during the five-year tenure of the plan. In the coming five years, the Authority aimed to achieve its target to double the current collection level to around TZS 260 billion. In order to achieve this, its intended to direct efforts on creating affordable infrastructure and for resident visitors and putting more efforts on adopted marketing and branding programs for emerging markets like China, India and Israel.

## 2.23. EMPLOYEES WELFARE

### Management and Employees' Relationship

There was a good relationship between employees and Management during 2022/23. Management received no unresolved complaints from the employees during the year. A healthy relationship continues to exist between management and the Trade Union. There is a systematic procedure of regular communication with employees, which is done through Board meetings, departmental meetings, and Management and staff meetings as well as through notice Boards, circulars and Workers' Council meetings.

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**Table 16: The list of Staff and Management Meeting held**

Financial Year	Number of Board meetings		Number of Management meetings	Number of Worker's council	Number of Staff meetings
	Ordinary	Extra ordinary			
2022/23	3	1	24	0	1
2021/22	-	-	8	0	4

Ngorongoro Conservation Area Authority's employees are closely involved in major changes affecting them through such measures as meetings, suggestion boxes, briefings, and internal communication and opinion survey. There are well-established procedures including regular meetings with the Workers Union (Conservation, Hotels, Domestic and Allied Workers Union Tanzania - CHODAWU) to ensure that employees' views are taken into account in making decisions.

### **Training**

NCAA facilitated employees to attend both short-term and long-term courses in various disciplines. During the financial year ended 30 June 2023 the Authority spent TZS 788.7million compared to TZS 795 million in previous year 2021/22 on short- and long-term courses. Training programs are being developed to ensure employees are adequately trained at all levels; all employees are required to attend annual training to upgrade skills, enhance development and receive on-the-job training through seminars and workshops.

### **Medical facilities/services**

All employees are covered under National Health Insurance Fund (NHIF). NCAA fully meets the cost of medical consultations and treatments for all employees and their immediate dependents for all cases not covered under NHIF. During the financial year ended 30 June 2023 the authority contributed a total of TZS 1,428 million compared to TZS 1,031.7 million in previous year 2021/22.

### **Health and Safety**

The NCAA has a strong Health and Safety Department which ensures that a strong health prevails at all times. A safe working environment is ensured for all employees and contractors by providing adequate and proper personal protective equipment, training and supervision as necessary. NCAA developed HIV/AIDS policy and it is in the process to develop Medical Treatment Policy.

### **Financial Assistance to Staff**

Loans are available to all confirmed employees depending on the assessment of and the discretion of Management as to the need and circumstances. Neither during the financial year under review nor the previous year no loans were issued to employees. Management has influenced staff to establish Savings and Credit Co-operative Society (SACCOS) to assist in promoting the welfare of its employees.



### Persons with Disabilities

It is NCAA's policy to give equal opportunities to persons with disabilities for vacancies they can fill. Applications for employment by persons with disabilities are always considered, bearing in mind the aptitudes of the applicant concerned. In the event a member of staff suffers a disability, every effort is made to ensure that their employment with the Authority continues and appropriate training is arranged. It is the policy of the NCAA that training, career development and promotion of persons with disabilities should, as far as possible, be identical to that of other employees.

### Employees Benefit Plan

The NCAA pays contributions on a mandatory basis to publicly administered pension plans that qualify as approved contribution plans. The average number of employees during the year was 735 (2021/22: 680). During the year, NCAA contributed TZS 2,937 million (2020/21: TZS 2,581 million) to social security schemes.

### Gender parity

NCAA is committed to promoting gender equality in all its operations and to preventing gender discrimination and harassment. Our Gender Equity Policy promotes diversity, fairness and equality of access and opportunity. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion or disability which does not impair ability to discharge duties. During the year 2022/23, the NCAA has 735 employees (2020/21: 680) whose distribution is as shown below:

Table 17: Gender Parity

Gender	2022/23		2021/22	
Male	640	87.1%	576	84.7%
Female	95	12.9%	104	15.3%
Total	735	100%	680	100%

54 new employee was recruited during the financial year ended 30 June 2023. However, some employees were transferred from NCAA to other institutions, other employees were transferred to NCAA from other institutions and some employees retired.

### HIV/AIDS Campaign

The NCAA recognizes the seriousness of the HIV/AIDS pandemic and its negative impact on the capacity to realize the National Agenda of making Tanzania free from the epidemic. The Authority has adopted a National HIV/AIDS policy and prepared its HIV/AIDS policy, which aims at raising HIV/AIDS awareness among its employees. One awareness seminar was conducted for employees during the year under review.

**2.24. PROCUREMENT MANAGEMENT UNIT (PMU)**

NCAA has a fully-fledged Procurement Management Unit headed by Senior Assistant Conservation Commissioner - Procurement and Supplies Management (PMU).

**Tender Board**

NCAA has an operating Tender Board. It oversees all procurement processes and procedures, reviews all applications for variations, addenda, or amendments to an ongoing contract, ensures compliance with the Public Procurement Act, Cap 410(R.E 2022), and approves procurement and disposal by tender procedures. The NCAA Tender Board as at 30 June 2023 was composed of the following members:

**Table 18: Members of Tender Board**

S/N	Name	Status
1.	Ms. Victoria Shayo	Chairman
2.	COL. Zephania P. Makelemo	Secretary
3.	SCO. Godson S. Chengula	Member
4.	SACC. CPA. Mathew Mkunda	Member
5.	Mr. Curthert Lemanya	Member
6.	Mr. Michael Makombe	Member
7.	Mr. Samingo Kimerei	Member
8.	SACC. Eng Daniel Chegere	Member

**2.25. INTERNAL AUDIT DEPARTMENT**

The Authority has a fully-fledged Internal Audit Department which is headed by the Senior Assistant Conservation Commissioner (Chief Internal Auditor) - Internal Audit. The department conducts internal auditing assignments at quarterly and yearly intervals with the responses to the requirement of the management on investigative or similar matters. The Department adopts the International Professional Practices Framework (IPPF) and the NCAA's Internal Audit Manual and Procedures to evaluating the quality assurance and acceptability of the related accounting policies, practices, and financial reporting compliance.

**2.26. VESTED INTEREST**

The Board Members of the NCAA have no vested interest in different projects/businesses within the Departments/Institutes.

**2.27. CORPORATE SOCIAL RESPONSIBILITY**

NCAA maintained good relationships with the local residents within Ngorongoro Conservation Area, Ngorongoro District Council (NDC) and adjacent communities surrounding the conservation area. The aim is to increase community participation in conservation of natural and cultural resources and sensitize community on conservation benefits through supporting different development projects. During the financial year 2022/23 the sum of TZS 274 million

## NGORONGORO CONSERVATION AREA AUTHORITY

(2021/22: TZS 696million) was spent financing various development activities/projects that directly impacted NCA local residents, Ngorongoro Pastoral Council (NPC) and adjacent communities to Ngorongoro Conservation Area. In addition, TZS 1,939.6 million was used to finance students' tuition fee and other subsistence allowance. All disclosed amount of Corporate Social Responsibility were extracted as a part of social service expenses as a functional class of those expenditures.

Apart from Corporate Social Responsibility, NCAA is directly responsible to safeguard and promote the interests of Maasai citizens of the United Republic of Tanzania engaged in cattle ranching and dairy industry within the Conservation Area. During the year 2022/23 NCAA procured and distributed 321 tons of maize grain to indigenous community, 22,000Kg, 10,000Kg and 1000Kg of flour, sugar and margarine were provided to the 27 primary schools and one orphanage centre, 171 households registered and issued with ICHF identity card, 310 households trained on Community health and environmental conservation hygiene and sanitation, 110 mentors from 55 beekeeping groups trained on modern beekeeping practices and 310 out of 551 households relocated to Msomera trained on good agricultural practices.

### 2.28. RELATED PARTY TRANSACTIONS

Transactions with related parties are disclosed in Note 29 to the financial statements.

### 2.29. CONTRIBUTIONS AND DONATIONS

The NCAA did not make any political donations during the year. Contributions amounting to TZS 274.10 million during the year ended 30 June 2023 compared to TZS 519.96 million in 2021/22 were made to the following institutions and other Government organizations:

Table 19: Contributions Made by the Authority to various Stakeholders

S/N	Name	2022/23 TZS' Million	2021/22 TZS' Million
1.	DAS Ngorongoro (Ujirani Mwema)	-	13.00
2.	Karatu District Council	-	5.00
3.	Ngorongoro District Council	20.00	175.00
4.	Ngorongoro Girls Secondary	-	28.80
5.	Wildlife Conservation Society	15.00	25.00
6.	Shule ya Sekondari Mkondo	-	2.50
.	Tanzania Airport Authority	1.56	-
7.	DAS Karatu	6.50	24.80
.	Donation to Msomera Village	11.11	-
8.	National land use Planing NCA Adjacent Villages	-	65.80
9.	Pasiansi wildlife Training Institute	155.87	-
10	Kijiji cha lositete	10.00	7.00
11.	Catholic Mssion Kitete	7.00	-
12.	Rangeland Society of Tanzania	5.00	10.00
13.	Shule ya Msingi Kakesio	-	15.00

## NGORONGORO CONSERVATION AREA AUTHORITY

S/N	Name	2022/23 TZS' Million	2021/22 TZS' Million
14.	Baray Sekondari	-	2.00
15.	Endulen Hospital	-	30.00
16.	Tanzania Wildlife Protection Fund	42.06	-
17.	Other Donations	-	112.96
18.	Karatu secondary school	-	3.10
<b>Total</b>		<b>274.10</b>	<b>519.96</b>

### 2.30. LEGAL AND REGULATORY REQUIREMENTS

The Ngorongoro Conservation Area Authority was established in 1959 by the NCA Ordinance Cap.284 as revised in 2002. The NCAA reports to the Ministry of Natural Resources and Tourism and is required to comply with the Government procedures and laws of the land. The functions of the NCAA are guided by the Ngorongoro Conservation Area Act and its by-laws. During the year under review, the NCAA complied with the applicable laws.

#### Prejudicial Matters

During the year ended 30 June 2023, no prejudicial matters were to be reported.

### 2.31. ACCOUNTING POLICIES

The results of the Authority are sensitive to accounting policies. Assumptions and estimates underly the preparations of the financial statements. The NCAA Charter gives the board the responsibility to select relevant and suitable accounting policies that are reasonable and prudent. The accounting policies deemed critical for the Authority's results and position have been summarized in the Notes to Financial Statements.

### 2.32. CAPITAL MANAGEMENT

The Authority capital includes capital fund and accumulated surpluses, which stood at TZS 122,138 million for the financial year 2022/23 (TZS 131,030.5 million in the financial year 2021/22). The primary objective of the Authority's capital management is to ensure that it maintains a strong asset base in order to support its objectives and optimize the achievement of stakeholders' expectations.

### 2.33. KEY STRENGTHS AND RESOURCES

The NCAA has the following key strength and resources;

#### Human resources

The Authority has a total number of 735 employees as at 30 June 2023, compared to a total number 680 employees on previous year 2022, who are considered key towards achieving the Authority's strategic objectives. This total number of employees are of diverse experience

distributed in each of the Authority Departments. The Authority has a staff development and training programme which ensures that each year some employees are enrolled in both short-term and long-term training to enhance their capacity and improve employee performance.

#### **Relationship with stakeholders**

The Authority has established and maintains good relationships with both internal and external stakeholders including suppliers of goods and services, Central Government, ministries, Resident Communities in NCA, Conservation and research institutions, Wildlife Division, forestry and beekeeping, NGO's Members of Local and International Conventions/agreements, Development Partners (UNESCO, NORAD, DANIDA, IUCN), Local Communities adjacent to NCA, Private sector, Tour Operators, tour guides and Porters, Tanzania Tourist Board, Travel agencies/airlines, media, financial institutions among others.

#### **Financial Sustainability**

Authority revenue sources include; Government Subvention in the form of personal emoluments (PE) and Other Charges, Income from Investment Ngorongoro Tourism Centre and other fee and services provided by NCAA within and outside the Area.

#### **Information and Communication technology**

In acknowledging the importance of ICT in service delivery, the Authority has been continuously investing in technology to realize operational excellence and better service delivery to its customers. Currently, the Authority has various systems including ADV (Accounting system), Budget Portal for budget and fund utilization control, Safari Portal for Revenue Collection, File Management System (e-Office) for Minutes and Approvals, Human Resource Management Information System (HRMIS) for Payroll and Human Managements, Statistical Database and LoRa system for Tracking patrol vehicles, patrol teams and management of communication within NCA.

#### **Organizational structure, systems, and processes**

Existence of abundant and diverse biodiversity, natural and cultural resources, mixed World Heritage Site and international Biosphere Reserve and UNESCO Global geopark backed by strong leadership, well defined revenue sources, good relationship with stakeholders and competent staff.

#### **Diversity of Tourism Products**

Availability of natural resources, archaeological and paleontological sites, infrastructure network and favourable investment policies and guidelines

#### 2.34. FIGHT AGAINST CORRUPTION

The Authority management is committed to fighting corruption. Among measures instituted to curb corruption, the Authority has a Code of Ethics that has been distributed to all employees. The Authority's Employees admission procedures are transparent; recruitment of employees is done competitively by advertising in newspapers in accordance with the provisions of the Public Service Act, Cap 298 and the Public Services Regulations of 2003. Procurement is done under the requirements of the Public Procurement Act, Cap 410(R.E 2022) and its Regulations of 2013 (as amended in 2016) and the Public Finance Act, Cap 348.

#### 2.35. STATUTORY AUDITORS

The Controller and Auditor General (CAG) is the statutory auditor of Ngorongoro Conservation Area Authority (NCAA) by virtue of Article 143 of the Constitution of the URT of 1977 (as amended from time to time), amplified in Section 9-12 of Public Audit Act CAP 418.

#### BY THE ORDER OF THE BOARD

GENERAL VENANCE S. MABEYO  
Chairman,  
NCAA Board of Directors.

Date 28.03.2024

Signature 

### 3.0 STATEMENT OF RESPONSIBILITIES BY THOSE CHARED WITH GOVERNANCE

The Directors are required under the Ngorongoro Conservation Area Ordinance, No. 413 of 1959, to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Authority as at the end of the financial year and of its profit or loss for the year. It also requires the Directors to ensure that the Authority keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Authority. They are also responsible for safeguarding the assets of the Authority and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) accrual basis. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Authority and of its performance in accordance with International Public Sector Accounting Standards (IPSAS) accrual basis. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as 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.

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

#### BY ORDER OF THE BOARD

Signature: 

General. VENANCE S. MABEYO

Chairman of the Board of Directors

Date: 28.03.2024

Signature: 

Prof. HENRY Z. CHALU

Chairman Risk and Audit Committee

Date: 27/03/2024

**4.0 DECLARATION BY THE HEAD OF FINANCE OF NGORONGORO CONSERVATION AREA AUTHORITY**

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

It is the duty of a Professional Accountant to assist the Board of Directors in discharging the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with International Public Sector Accounting Standards (IPSAS) accrual basis. Full legal responsibility for preparing financial statements rests with the Board of Directors as stated in the statement of Directors Responsibilities on an earlier page.

I, **ACPA SAMBA W. NYAGIRO**, being the Acting Chief Accountant of Ngorongoro Conservation Area Authority (NCAA) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2023 have been prepared in compliance with IPSAS accrual basis and other statutory requirements.

I thus confirm that the Financial Statements prepared give a true and fair view of Ngorongoro Conservation Area Authority (NCAA) as of that date and that they have been prepared based on properly maintained financial records.

PCO. **ACPA SAMBA W. NYAGIRO**

**ACTING HEAD OF FINANCE AND ACCOUNTING  
DEPARTMENT**

**NBAA Membership No: ACPA 3943**

Signature: \_\_\_\_\_



Date: \_\_\_\_\_

26-03-2024

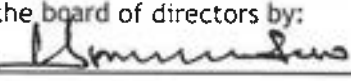


5.0 FINANCIAL STATEMENTS

5.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

Assets	Note	<u>2022/23</u> TZS'000	<u>2021/22</u> TZS'000 Restated
<b>Current assets</b>			
Cash and cash equivalents	19	7,304,736	16,775,152
Trade and other receivables	17	3,096,508	13,371,685
Inventories	16	2,949,028	2,725,581
<b>Total current assets</b>		<b>13,350,272</b>	<b>32,872,418</b>
<b>Non-current assets</b>			
Property, plant and equipment	14	59,791,294	50,081,185
Work in Progress	14	3,925,185	2,081,446
Intangible assets	24	58,481	77,975
Investment property	15	45,012,824	45,917,544
<b>Total non-current assets</b>		<b>108,787,784</b>	<b>98,158,150</b>
<b>TOTAL ASSETS</b>		<b><u>122,138,056</u></b>	<b><u>131,030,568</u></b>
<b>Current liabilities</b>			
Trade and other payables	20	18,736,186	7,667,140
Provisions	21	665,535	655,535
Borrowings	22	3,122,720	2,846,825
Deferred Income	23	25,279	15,142
<b>Total current liabilities</b>		<b>22,549,720</b>	<b>11,184,642</b>
<b>Non-current liabilities</b>			
Provisions	21	37,797,547	35,964,780
Borrowings	22	5,208,375	8,189,636
<b>Total non-current liabilities</b>		<b>43,005,922</b>	<b>44,154,416</b>
<b>Total liabilities</b>		<b>65,555,642</b>	<b>55,339,058</b>
<b>Net Assets</b>			
Capital fund		7,510	7,510
Accumulated surplus		56,574,904	75,684,000
<b>TOTAL NET ASSETS</b>		<b>56,582,414</b>	<b>75,691,510</b>
<b>Total Net assets and Liabilities</b>		<b><u>122,138,056</u></b>	<b><u>131,030,568</u></b>

Notes form part of the financial statements which were approved for issue and signed on behalf of the board of directors by:

Signature: 

General. VENANCE S. MABEYO

Chairman of the Board of Directors

Date: 28.03.2024

Signature: 

Prof. HENRY Z. CHALU

Chairman Risk and Auditing Committee

Date: 27/03/2024

NGORONGORO CONSERVATION AREA AUTHORITY

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

	Note	<u>2022/23</u>	<u>2021/22</u>
		TZS'000	TZS'000
			Restated
<b>Revenue</b>			
Revenue from Non exchange	5	103,208,590	116,969,367
Revenue from exchange transaction	6	431,385	680,288
Other Income	7	160,128	333,000
NPF Income	34B	106,006	37,706
<b>Total Revenue</b>		<b><u>103,906,109</u></b>	<b><u>118,020,361</u></b>
<b>Expenses</b>			
Wages, Salaries and Employee benefits	8	(45,800,763)	(44,797,650)
Operating expenses	9	(4,689,201)	(6,844,189)
Administrative expenses	10	(53,769,609)	(32,235,084)
Routine Repairs and Maintenance expenses	11	(10,277,353)	(9,314,492)
Social services exp	12	(2,922,338)	(4,269,865)
Depreciation and amortization	13	(5,555,941)	(6,689,457)
<b>Total Expenses</b>		<b><u>(123,015,205)</u></b>	<b><u>(104,150,737)</u></b>
<b>Deficit/Surplus for the year</b>		<b>(19,109,096)</b>	<b>13,869,624</b>

Notes form part of the financial statements which were approved for issue and signed on behalf of the board of directors by:

Signature: 

General. VENANCE S. MABEYO

Chairman of the Board of Directors

Date: 28.03.2024

Signature: 

Prof. HENRY Z. CHALU

Chairman Risk and Auditing Committee

Date: 27/03/2024

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

	<u>Capital Fund</u>	<u>Accumulated surplus</u>	<u>Total</u>
	TZS'000	TZS'000	TZS'000
Year Ended 30 June 2023			
At the start of the year	7,510	75,684,000	75,691,510
Deficit for the period	-	(19,109,096)	(19,109,096)
As at 30 June 2023	7,510	56,574,904	56,582,414

	<u>Capital Fund</u>	<u>Accumulated surplus</u>	<u>Total</u>
	TZS'000	TZS'000	TZS'000
Year Ended 30 June 2022			
Restated			
At the start of the year	7,510	61,814,376	61,821,886
Surplus for the period	-	13,869,624	13,869,624
As at 30 June 2022	7,510	75,684,000	75,691,510

Notes form part of the financial statements which were approved for issue and signed on behalf of the board of directors by;

Signature: 

General. VENANCE S. MABEYO

Chairman of the Board of Directors

Date: 28.03.2024

Signature: 

Prof. HENRY Z. CHALU

Chairman Risk and Auditing Committee

Date: 27/03/2024

**NGORONGORO CONSERVATION AREA AUTHORITY**

**5.4 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	<u>2022/23</u>	<u>2021/22</u>
		TZS'000	TZS'000
<b>CASH FLOWS FROM OPERATIONS</b>			
Receipts from Government Grant	5(iii)	102,707,252	116,750,070
Receipts from customers	25	424,207	1,440,635
Payments to suppliers, employees and Expenses	26	97,509,948	103,858,323
Net cash flows from operating activities		5,621,511	14,332,382
NPF Net cash flows from operating activities		(401,232)	296,285
<b>Total Net Cash inflows from Operating Activities</b>		<b>5,220,279</b>	<b>14,628,667</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant, and equipment	33	(11,241,986)	(6,542,518)
Receipts from disposal of property, plant and Equipment.	7	-	333,002
<b>Net Cash outflow from Investing activities</b>		<b>(11,241,986)</b>	<b>(6,209,516)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	22	(3,448,709)	(3,592,500)
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(9,470,416)</b>	<b>4,826,651</b>
<b>CASH AND CASH EQUIVALENT</b>			
At the beginning of the year	19	16,775,152	11,948,501
At the end of the year	19	7,304,736	16,775,152

Notes form part of the financial statements which were approved for issue and signed on behalf of the board of directors by;

Signature: \_\_\_\_\_

General. VENANCE S. MABEYO

Chairman of the Board of Directors

Date: \_\_\_\_\_

28.3.2024

Signature: \_\_\_\_\_

Prof. HENRY Z. CHALU

Chairman Risk and Auditing Committee

Date: \_\_\_\_\_

27/3/2024

NGORONGORO CONSERVATION AREA AUTHORITY

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

	Original Budget [A]	Adjustment [B]	Final Budget [C]	Actual on Comparable Basis [D]	Difference [C-D]	Note 32
Revenue	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	
Government Subvention	120,053,499	-	120,053,499	102,707,252	(17,346,247)	A
Receipts from Customers and others	534,106	534,106	534,106	424,207	(109,899)	B
Expenses	(46,486,876)	-	(46,486,876)	(44,754,917)	1,731,959	C
Wages, salaries and employee benefits	(43,678,788)	(534,106)	(44,212,894)	(41,978,242)	2,234,652	D
Administrative expenses	(8,156,789)	-	(8,156,789)	(6,369,886)	1,786,903	E
Routine repair and maintenance expenses	(3,788,509)	-	(3,788,509)	(2,677,786)	1,110,722	F
Operating expenses	(2,890,678)	-	(2,890,678)	(1,729,118)	1,161,560	G
Social services and transfers	15,051,859	-	15,051,859	5,621,510	(9,430,349)	
Investments	(11,603,150)	-	(11,603,150)	(11,241,986)	361,164	H
Acquisition of property, plant, and Equipment	(11,603,150)	-	(11,603,150)	(11,241,986)	361,164	
Acquisition of investment properties	-	-	-	-	-	
Net cash from investing activities	(3,448,709)	-	(3,448,709)	(3,448,709)	-	
Financing	(3,448,709)	-	(3,448,709)	(3,448,709)	-	
Repayment of borrowings	(3,448,709)	-	(3,448,709)	(3,448,709)	-	
Net cash flows from financing activities	(3,448,709)	-	(3,448,709)	(3,448,709)	-	
Net receipts/(Payments)	-	-	-	-	(9,069,185)	
Cash and cash equivalents at beginning of period	-	-	-	-	15,443,285	
Cash and cash equivalents at end of period	-	-	-	-	6,374,100	

Signature: 

General. VENANCE S. MABEYO  
Chairman of the Board of Directors

Date: 28.03.2024

Signature: 

Prof. HENRY Z. CHALU  
Chairman Risk and Auditing Committee

Date: 27/03/2024

## 5.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### GENERAL INFORMATION

The Ngorongoro Conservation Area Authority (NCAA) was established in 1959 by the NCA Ordinance CAP.284 as revised in 2002 and was declared a multiple land use area whose objectives are to ensure a harmonious co-existence between wildlife, livestock and people in the natural setting. Its main objectives as stated in the legislation are:

- To conserve and develop the natural resources of the Conservation Area;
- To promote tourism within the Conservation Area and to provide and encourage the provision of facilities necessary or expedient for the promotion of tourism; and
- To safeguard and promote the interests of Maasai citizens of the United Republic of Tanzania engaged in cattle ranching and dairy industry within the Conservation Area.

### SIGNIFICANT ACCOUNTING POLICIES

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

#### (a) Basis of preparation

The Authority's financial statements have been prepared in accrual basis accordance with the requirements of International Public Sector Accounting Standards (IPSAS) except for the statement of Comparison of Budget versus Actual which has been prepared on Cash Basis. **IPSAS 1 "Presentation of Financial Statements"** has been adopted as a basis for preparation and presentation of financial statements, the measurements of all events and transactions has been applied is the historical cost basis, except where otherwise stated in the specific accounting policies as detailed below.

The preparation of financial statements in conformity with IPSAS requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgments in applying the Authority's accounting policies. The areas involving a higher degree of judgments or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in accordance with the requirement of each accounting policy.

**(b) New standards and Interpretations not yet adopted**

During the financial period ended 30 June 2021 the Authority adopted Tanzania Financial Reporting Standard 1 (TFRS1). TFRS 1 *"The Report by those charged with Governance"* become effective from January 2021. The Authority believes that the standard will assist those charged with government in setting out their analysis of the entity's operations and financial review with forward-looking orientations.

IPSAS 41 *"Financial instruments"*, is effective for financial periods beginning on or after 1 January 2023 early adoption is permitted. It establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29 by:

- Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;
- Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

However, during the financial period ended 30 June 2023, the Authority hasn't applied the standard (IPSAS 41) because it had to any related events or transactions which could be recognized, measured and either disclosed as per requirement of the standard.

IPSAS 44 *"Non-current Assets held for sale and Discontinued Operations"* which was introduced and published on 12 May 2022 by IPSASB. IPSAS 44 specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. It requires assets that meet the criteria to be classified as held for sale to be, measured at the lower of carrying amount and fair value less costs to sell and depreciation on such assets to cease; and presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. During the financial year 2022/23 the NCAA didn't have either Assets nor operations classified under IPSAS 44.

IPSAS 42 *"Social Benefits"*. The standard provides guidance on accounting for social benefits expenditure. It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk. The standard Effective for annual periods

beginning on or after 1 January 2023. Earlier application is permitted. However, during the financial year ended 30 June 2023, the authority had no any transaction related to IPSAS 42.

**(c) Foreign currency translation**

**(i) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the Functional Currency). The financial statements are presented in Tanzania Shillings in thousands (TZS), which is the Authority's functional and presentation currency.

**(ii) Foreign Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. On other hands all closing balance of foreign Assets and Liabilities such are translated by using the Exchange rate at the financial closing date. Therefore, during the financial year ended 30 June 2023, all foreign assets and liabilities were translated by using the average BOT Exchange rate as at 30 June 2023. Gain or loss related to foreign exchange translation were presented on the statement of financial performance.

**(d) Revenue recognition**

The Authority's Revenue has been classified as Revenue from Exchange and Non-exchange transactions.

The revenue from exchange transactions is recognized as per requirement of IPSAS 9 "*Revenue from exchange Transactions*". Revenue is recognized only when it is probable that the economic benefits or service potential associated with the transaction or event will flow to the Authority, measured reliably at the fair value of the consideration received or receivable and presented as a line item on statement of financial performance and while all events and transactions related are disclosed on separate note to notes of financial statements.

During the financial year ended 30 June 2023, the Authority had revenue from non-tour income which includes, electricity and water, dispensary income, house rent, base rent, compound offence and fines reported in the accounts are earned from other sources other than the main



sources of revenue generated by the NCAA. Income other than compound offence and fines is realized at the end of the month when services are rendered and invoiced.

The Revenues from Non-exchange Transactions is recognized as per requirement of IPSAS 23 "*Revenue from Non-exchange Transactions*". Revenue is recognized only when it is probable that the economic benefits or service potential associated with the non-exchange transaction or event will flow to the Authority after fulfilment of the given conditions or restrictions as stipulations, measured reliably at the amount of the increase in net assets recognized by the Authority, and presented as a line item on statement of financial performance and while all events and transactions related are disclosed on separate note to notes of financial statements.

During the financial year ended 30 June 2023, the Authority non-exchange transactions comprise Government subvention for Personal emoluments, other charges and Development funds received from Treasury. Other non-exchange included proceeds from entrance permits, concession fees from hotels and lodges, and utilities. Revenue from entrance permits include park entrance fees, motor vehicle entrance fees, filming and photographic fees, landing fees, camping fees, guide fees, crater service fees, walking safaris and bush lunches. Entry fees, concession fees, camping fees, landing fees, guide fees, walking safari, filming fees, bush lunches and motor vehicle fees are realized at entry points whereby the customer enters/checks in at the entry point.

**(e) Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, on demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value with maturity of three months or less and bank overdraft. Bank overdrafts are shown within borrowings in current liabilities on statement of financial position and are included within cash and cash equivalents on the face of the cash flows as they form an integral part of the NCAA's cash management.

**(f) Property, Plant and Equipment**

The Authority Recognize, measure and disclose all items of PPE as per requirements of IPSAS 17 "*Property, Plant and Equipment*". The costs of PPE are recognized as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Authority and the cost or fair value of the item can be measured reliably. Land is shown at cost, based on valuations by external independent valuers. All other property, plant and equipment are shown at cost less accumulated depreciation. Previously, Revaluations were performed after every 3 years to ensure that the fair value of a revalued asset did not differ

materially from its carrying amount. Authority's PPE were revalued on June 2018 by M & R Agency Limited, a certified Valuer of Assets.

However, NCAA decided to adopt Cost model on which revalued amounts were deemed as cost of the assets. This is due to Circular No.2 of 2017/18 as emphasized under Asset Management Guidelines (2019 edition).

Accumulated depreciation as at the revaluation date was eliminated against the gross carrying amount of the asset and the net amount was restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on a straight-line basis over the asset's estimated useful life. During the year ended 30 June 2023, the management reviewed the useful life of some of the PPE and Intangibles Asset classes. The estimated useful lives of NCAA's assets are in line with the government directives as follows:

Asset group	Years
Buildings	50
Furniture, fittings and equipment	5
Plant and machinery	15
Heavy plants	15
Motor vehicles heavy Duty	10
Motor vehicles light duty	5
Motorcycle	7
Aircraft	12,000 hrs
National electrical grid (Underground cable)	50
IT Systems, computers and peripherals	5
Crater ascent road	10
Utility - water piping	15
Computer Software	5

An item of Property, Plant and Equipment and any significant part initially recognized is derecognized 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 income statement when the asset is derecognized.

Internally developed Software are charged to expense until technological feasibility, probable future benefits, intent and ability to use the software, resources to complete the software, and

ability to measure cost. Amortisation of Software are carried over useful life, based on pattern of benefits (straight-line is the default).

The assets' residual values, useful lives and depreciation methods are reviewed at each financial year-end, and adjusted prospectively, if appropriate. Nearly all fixed assets have a useful life, after which they no longer contribute to the Authority's operations or stop generating revenue.

During this useful life, they are depreciated, reducing their cost to what they are supposed to be worth at the end of their useful lives (known as salvage value). Land, however, is not depreciated because it is considered to have an infinite useful life. When the land with a building on it is purchased, the cost must be allocated between the land and the building whereas the building is depreciated but not the land.

During the financial year ended 30 June 2022, the decision to relocate Head Quarter offices from NCA to Karatu, there were indicators for impairment of buildings previously occupied by staff and office. The indication that some of the buildings were impaired was backed by approval to demolish and remove some of the identified buildings which the Ministry of Natural Resources and Tourism granted. Therefore, the assessment was made on buildings which have to be demolished and their book value was fully impaired as according to IPSAS 21 "Impairment of non-cash generating Assets"

**(g) Impairment of non-financial assets**

The Authority assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Authority makes

an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an Assets or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**(h) Borrowing costs**

According to IPSAS 5 "*Borrowing Cost*", Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. The General rule permits

borrowing cost to be expensed with the exception of capitalization of Borrowing cost only and only if the costs were directly attributable to the acquisition, construction, or production of a qualifying asset. The Authority has a policy to expense all borrowing costs associated with loan acquired for normal operations and capitalizing Borrowing costs related with the acquisition of Qualifying assets such as an investment property and other items of PPE which meet the definition of qualifying Assets as Asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

**(i) Provisions**

The Authority recognize, measure and disclosure items of Provision as according to IPSAS 19 *"Provisions, Contingent Liabilities and Contingent Assets"*. The Authority's Provisions are recognized when the Authority has a present obligation as a result of past events where 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 for the amount of the obligation, measured at best estimate of the expenditure amount required to settle the present obligation at the reporting date and Presented as a line item on statement of financial position and disclosed on respective disclosure note on the notes of financial statements.

**(j) Non-Current Assets held for sale and Discontinued operations**

The Authority recognize, measure, present and disclose Assets held for sale as per requirements of IPSAS 44 *"Assets held for sale and Discontinued Operations"*. The Authority classify and recognises Assets as Held for Sale if it's carrying amount will be recovered principally through a sale transaction rather than continue use, measured at the lower of carrying amount and fair value less cost to sale and presented as a line item on the statement of financial position with respective disclosure to the notes of financial statements. The gain or loss on the disposal of the assets after public auction is accounted in the statement of financial performance for the year as other income.

**(k) Investment property**

The Authority recognize, measure, present and disclose Investment property as per requirements of IPSAS 16 *"Investment Property"*. Investment Property is the property that held by the Authority for long-term rental yields or for capital appreciation. The Investment property is recognized as an asset when and only when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the

Authority and the cost or fair value of the investment property can be measured reliably, measured initially at cost, subsequently measured at cost less accumulated depreciation and presented as line item on the statement of financial position with respective disclosure note to the notes of financial statements.

**(l) Trade and other payables**

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

**(m) Inventories**

The Authority recognizes, measure, present and disclosure Items of Inventories As according to IPSAS 12 "*Inventories*" which define inventories to be an asset in term of material or supplies to be consumed or to be used in production process, Distribution or rendering or services. The Authority measure its Inventories at the lower of cost and Current replacement cost due to the fact that all items of inventories are held for own consumption and distributed at no charges within the Authority's units. Cost is determined on weighted average basis. Provision is made for defective and slow-moving items identified during stock taking. Full provision is made for the value of government trophies held at the end of the year.

**(n) Trade and other receivables**

Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables, which generally have 30 to 60 days terms are recognized and carried at original invoice amount, 61 to 120 days are termed as doubtful debts and above 120 days termed as bad debts and usually are always provided as provision for bad debts as uncollectable amounts. Provision for bad debt is made when there is objective evidence that the Authority will not be able to collect the debts on a debtor on daily cause of business operations.

(o) Income tax

**Current tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered or paid to Tanzania Revenue Authority. The tax rates used to compute the amount are those prescribed by legislation from time to time. The current rate of taxation is 30%. Current income tax relating to revaluation adjustments are recognized in equity and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences (unless the liability arises from goodwill amortization or the initial recognition of an asset or liability in a transaction that is not a business combination and at that time affects neither accounting profits nor taxable profits. Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(p) Government grants

Government grants are recognized where there is a reasonable assurance that the grants will be received and all attaching conditions will be complied with. When the grants relate to an expense item, it is recognized as income over the period necessary to match the grants on a systematic basis to the costs that it is intended to compensate. Where the grants relate to an asset, it is set up as deferred income. Where the Authority receives non-monetary grants, the

assets and the grants are recorded at nominal amounts and are released to statement of financial performance over the expected useful life of the relevant assets by equal annual instalments.

**(q) Financial assets**

**i. Classification**

All financial assets of NCAA are classified as loans and receivables, based on the purpose for which the financial assets were acquired.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets. NCAA's loans and receivables comprise 'trade and other receivables' and 'cash at bank and in hand' in the statement of financial position.

**ii. Recognition and measurement**

Loans and receivables are subsequently carried at amortized cost using the effective interest method. Financial assets are derecognized when rights to receive cash flows from the assets have expired or have been transferred and NCAA has transferred substantially all risks and rewards of ownership.

**iii. Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

**(r) Impairment of financial assets**

Financial assets, other than those at fair value through surplus or deficit, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis.

Objective evidence of impairment for a portfolio of receivables includes the Authority's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables. Provision for bad and doubtful debts is made in respect of specific debts, which have been outstanding for recovery for one year and are considered doubtful of recovery.

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

**(s) Derecognition of financial assets**

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

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of financial performance.

**(t) Leases**

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

- i. There is a change in contractual terms, other than a renewal or extension of the arrangement;
- ii. Renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;



- iii. There is a change in the determination of whether fulfilment is dependent on a specified asset; and
- iv. There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (i), (iii) or (iv) and at the date of renewal or extension period for scenario (ii).

#### **Authority as a lessee**

Finance leases, which transfer to the Authority substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in the statement of financial performance. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Authority will obtain ownership by the end of the lease term. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

#### **Authority as a lessor**

Leases where the Authority does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned

#### **(u) Employee benefits**

##### **Short-term Employment Benefits**

The cost of all short - term employee benefits such as employees' salaries, entitlements of leave pay, medical aids, long service award, other contributions, etc are recognized during the period in which the employees render the related services. These include salaries, housing allowance, medical benefit, annual leave, and other employment allowances.

### Defined contribution plan

A defined contribution plan is a pension plan under which the authority pays fixed contributions into a separate entity. The authority has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due. NCAA is registered with the Public Service Social Security Fund (PSSSF), Employer and employees' contributions are 15% and 5% respectively, of the basic salary. NCAA's contributions to the Funds are charged to income statement in the year to which they relate.

### Group endowment scheme

NCAA employees participate in an insured Group Endowment Scheme whereby each employee contributes 3% (2021:3%) of his/her monthly salary, and the employer contributes the remaining part of the premium amount.

### Defined benefit plan

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. These plans/schemes are unfunded as explained below:

### Golden handshake

Management has a voluntary agreement with NCAA Conservation, Hotels, Domestic and Allied Workers Union (CHODAWU) Branch which specifies the following benefits as "Golden Handshake" for retiring employees at the age of 60 or voluntary retirement at the age of 55 or 50% Golden Handshake after reaching 20 years of service with NCAA:

Employment period	Benefits in gross salaries
Three (3) months to Three (3) years	12 months salaries
More than Three (3) years but not exceeding Six (6) years	24 months salaries
More than Six (6) years but not exceeding Ten (10) years	30 months salaries
More than Ten (10) years but not exceeding Fifteen (15) years	36 months salaries
More than Fifteen (15) years but not exceeding Twenty (20) years	42 months salaries
Above Twenty (20) years	48 months salaries

#### On retirement due to ill-health

The benefits payable is a lump sum of 24 months' salary in addition to benefits that the employee would have obtained based on his service at the date of ill-health retirement calculated using the rates shown in the table above for normal retirement at the age 60.

#### On death while on duty

The benefits payable to the beneficiaries of an employee who dies while on duty is a lump sum of 60 months' salary provided that the age remaining before retirement is not less than five years. An additional lump sum of 12 months' salary to cater for funeral arrangements will also be paid.

#### Other long-term employment benefits

##### Long service awards

Long service awards in the form of non-cash benefits (bags of cement and iron sheets) are payable to employees on the anniversary of attaining 10, 15, 20, 25, 30, 35 and 40 years of services with NCAA. As shown in table below;

Service period in years	Number of iron sheets
10	80
15	120
20	100
25	80
30	60
35	40
40	20

#### Termination benefits

##### On retrenchment

When an employee leaves service due to retrenchment, a lump sum benefit of a multiple of salaries is payable at the rates shown below based on the years of service with NCAA:

Commencing employment period	Employment period	Benefits in gross salaries
More than 3 years	Not exceeding six years	24 months salaries
More than 6 years	Not exceeding 15 years	36 months salaries
More than 15 years	Not exceeding 20 years	40 months salaries
Over 20 years		48 months salaries

#### On retirement

A lump sum benefit of multiple salaries based on services is payable at the rates shown in the table above for normal retirement at the age of 60.

#### (v) Consolidation

##### Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Preparing the Authority financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of an asset or liability affected in the future. The key assumptions concerning the future and the key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are disclosed below:

### **Impairment of non-financial Assets**

The Authority assesses whether there are any indicators of impairment for all non-financial assets at each reporting date.

Non-financial assets are tested for impairment when there are indicators that the carrying amounts may be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

### **Defined benefit obligations**

The present value of the defined benefit obligations which includes pensions long-term service awards and other post-employment benefits is determined by an actuarial valuation using a number of assumptions. The assumptions used in determining the net cost for pensions include discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increase. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Authority determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Authority considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 22.

### **FINANCIAL RISK MANAGEMENT**

The Authority's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign-exchange risk, interest-rate risk, credit risk, and liquidity risk. A description of the significant risk factors is given below together with the risk management policies applicable.

## MARKET RISK

### i. Foreign exchange risk

The Authority provides tour services to non-Tanzanian and charges tour fees in USD. This exposes the Authority to foreign exchange risk. Foreign exchange risk arises from future commercial transactions, and recognized assets and liabilities.

At 30 June 2021, the authority Cash and cash equivalent comprises of 99% Home currency (TZS) thus, no risk on foreign exchange was expected.

The Authority does not hold any financial instruments subject to price risk.

### ii. Interest rate risk

The Authority's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Authority to cash flow interest rate risk which is partially offset by cash held at variable rates.

The long-term borrowing was acquired solely to finance the construction of the investment property as disclosed in notes 22 to the financial statements and interest charged to the extent capitalized and expensed is disclosed in Note 22 and to the financial statements, respectively.

### iii. Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, and credit exposures to customers, including outstanding receivables and committed transactions.

Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Authority. The Authority does not have any significant concentrations of credit risk.

Analysis of trade and other receivables as at year end;

	<u>2022/23</u> TZS'000	<u>2022/22</u> TZS'000
Trade and other receivables:		
Neither past due nor impaired	631,082	338,702
Past due but not impaired	442,589	258,131
Impaired	247,935	483,609
<b>Total</b>	<b>1,321,606</b>	<b>1,080,442</b>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings if available or historical information about counterparty default rates:

Counterparties without external credit rating:

	<u>2022/23</u> TZS'000	<u>2021/22</u> TZS'000
- Group 1	-	-
- Group 2	631,082	338,702
- Group 3	-	-
	631,082	338,702

Group 1 - new customers/related parties;

Group 2 - existing customers/related parties with no defaults in the past; and

Group 3- existing customers/related parties with some defaults in the past. All defaults were fully provided.

No trade receivables are held as security for the bank borrowings or collateral is held in respect of the above assets. All receivables that are neither past due nor impaired are within their approved credit limits.

None of the above assets are either past due or impaired except for the following amounts in trade receivables.

The trade receivables which were past due but not impaired relate to a number of independent customers for whom there is no history of default. The ageing analysis of these trade receivables is as follows:

	<u>2022/23</u> TZS'000	<u>2021/22</u> TZS'000
Past due but not impaired:		
- by 31 to 60 days	631,082	338,702
- Above 61 days	442,589	258,132
	1,073,671	596,834
Carrying amount before provision for impairment loss	1,321,606	1,080,443
Provision for impairment loss	(247,935)	(483,609)
Net carrying amount	1,073,671	596,834

(i) Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the finance department maintains flexibility in funding by maintaining availability under committed credit lines.

Management performs cash flow forecasting and monitor rolling forecasts of the Authority's liquidity requirements to ensure it has sufficient cash to meet its operational needs. The Authority's approach when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Authority's reputation.

The table below analyses the Authority's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows in accordance with the way management monitors its liquidity.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	TZS'000	TZS'000	TZS'000	TZS'000
<b>At 30 June 2023:</b>				
- bank borrowings	3,122,720	3,369,962	1,838,411	-
- interest on borrowings	527,674	280,431	42,003	-
- trade and other payables	12,498,777	-	-	-
	<b><u>16,149,171</u></b>	<b><u>3,650,393</u></b>	<b><u>1,880,414</u></b>	-
<b>At 30 June 2022:</b>				
- bank borrowings	2,637,854	5,913,936	4,498,972	-
- interest on borrowings	948,990	1,259,750	316,821	-
- trade and other payables	5,224,658	-	-	-
	<b><u>8,811,502</u></b>	<b><u>7,173,686</u></b>	<b><u>4,815,793</u></b>	-



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Year ended 30 June 2023:

Assets	Level 1 TZS'000	Level 2 TZS'000	Level 3 TZS'000	Total TZS'000
Assets at fair value				
Property plant and equipment	-	-	59,791,294	59,791,294

Liabilities	Level 1 TZS'000	Level 2 TZS'000	Level 3 TZS'000	Total TZS'000
Liabilities at fair value through profit or loss				
- Defined benefit scheme	-	-	37,797,547	37,797,547

Year ended 30 June 2022:

Assets	Level 1 TZS'000	Level 2 TZS'000	Level 3 TZS'000	Total TZS'000
Assets at fair value				
Property plant and equipment	-	-	50,081,185	50,081,185

Liabilities	Level 1 TZS'000	Level 2 TZS'000	Level 3 TZS'000	Total TZS'000
Liabilities at fair value through profit or loss				
- Defined benefit scheme	-	-	35,964,780	35,964,780

## 5.7 NOTES TO THE FINANCIAL STATEMENTS

### 5. REVENUES FROM NON-EXCHANGE

I. Tour Income	<u>2022/23</u> TZS'000	<u>2021/22</u> TZS'000
Vehicle entry fees	42,185	-
Resident Entry Fees	355	-
Sub Total A	<u>42,540</u>	-

The tour income amounting to TZS 42,540 reported during the financial year ended 30 June 2023 was mainly associated with resident entry and Vehicle entry fees collected from tour

companies who lied on tire weight upon entry within NCA on various period of previous financial period.

II. Other Non-exchange Income	<u>2022/23</u> TZS'000	<u>2021/22</u> TZS'000
Compound Offence & Fines	224,360	-
Revenue In-kind	234,438	219,297
Sub Total B	<u>458,798</u>	<u>219,297</u>

The increase on Other non-exchange income from TZS 219.2 million reported on previous year 2021/22 to TZS 458.7 million on current reporting period 2022/23 was significantly contributed by fines compound offences and fines collected from various tour operators/company who lied on tire weight measure upon entry within the NCA on various period of previous financial period.

III. Government Grants	<u>2022/23</u>	<u>2021/22</u>
Personal Emoluments	23,208,817	19,829,784
Other Charges (OC)	65,183,634	67,871,830
Development Fund Received	14,314,801	29,048,456
Sub Total C	102,707,252	116,750,070
<b>TOTAL NON-EXCHANGE INCOME (A+B+C)</b>	<u><b>103,208,590</b></u>	<u><b>116,969,367</b></u>

The decrease on Total Non-exchange income from TZS 116.9 million reported on previous financial year 2021/22 to TZS 103.2 million on current reporting period 2022/23 was mainly contributed by decrease on funds in respect of Other Charges and development projects received during the reporting period. While on other hands, the funds received for Personal Emolument increased during the reporting period associated with new employees employed during the period.

#### 6. REVENUE FROM EXCHANGE TRANSACTIONS

	<u>2022/23</u> TZS'000	<u>2021/22</u> TZS'000
Sale of Maize	-	333,000
Electricity Income	289,701	243,815
House Rent Income	141,684	103,473
	<u>431,385</u>	<u>680,288</u>

The decrease in Revenue from exchange transaction from TZS 680.2 million reported on previous year 2021/22 to TZS 431.3 million, was a result of decrease and non-sales of maize which was previously sold to local community who residing within NCA as they are currently

voluntary relocated outside the NCA. However, electricity and house rent income was increased during the reporting period.

**7. OTHER INCOME**

	<u>2022/23</u> TZS'000	<u>2021/22</u> TZS'000
Receipt from Disposal of PPE	-	333,000
Bad debt Recovery	160,128	-
	<b>160,128</b>	<b>333,000</b>

During the financial year ended 30 June 2023 the Authority recoded a decrease on other income amounted to TZS 160 million as compared with TZS 333 million on previous financial year 2021/22. The decrease was mainly caused by the receipt from disposal of PPE and other un-serviceable stock which was recorded only on previous year.

**8. WAGES, SALARIES, AND OTHER EMPLOYEE BENEFITS**

	<u>2022/23</u> TZS'000	<u>2021/22</u> TZS'000
Wages and salaries	19,685,316	17,426,429
Casual labourers	617,435	546,570
Housing allowance	3,916,795	3,813,440
Health Insurance	1,428,147	1,031,712
Other employee benefits	9,286,620	9,034,601
Employer contribution to pension funds	2,937,336	2,581,124
Leave travel	160,484	299,549
Terminal benefits	4,183,576	3,707,206
Group Endowment Assurance Scheme (GEAS)	3,473,144	6,261,994
Workers' Compensation Fund	97,910	86,025
Court attire allowance	14,000	9,000
	<b><u>45,800,763</u></b>	<b><u>44,797,650</u></b>

During the financial period 2022/23, the Authority reported an increase in salaries, and other employee benefits to TZS 45,800 million, as compared to TZS 44,797.6 million from previous year 2021/22. The increase was mainly caused by the increase on salary, housing allowance, health insurance and Terminal benefit which they all associated with an increase on employees as a result of new employed and transferred staffs.

**9. OPERATING EXPENSES**

	<u>2022/23</u> TZS'000	<u>2021/22</u> TZS'000
Consultancy fee	44,300	20,900
Insurance expenses	155,893	782,882
Legal fee	-	319
Interest expense	743,343	1,578,198
Anti-poaching supplies and utilities	1,706,169	2,032,188
Surveys	5,500	37,231
Burial expenses	38,846	41,451
Other operating expenses	487,377	516,163
Para-military training - domestic	41,650	38,590
Research and consultancy expenses	128,327	184,728
Veterinary, ecology & cons. Education expenses	960,090	1,059,720
Antiquities and cultural heritage	377,706	551,819
	<b>4,689,201</b>	<b>6,844,189</b>

The decrease on operating expenses from TZS 6,844 million in previous year 2021/22 to TZS 4,689 million in current year 2022/23 was mainly contributed by a decrease on cost associated with interest payment on long term loan. The previous year interest of TZS 1,578 million was due to accumulated interest repaid in once after loan restructuring.

**10. ADMINISTRATIVE EXPENSES**

	<u>2022/23</u> TZS'000	<u>2021/22</u> TZS'000
Advertising and publication	211,107	146,216
Board meeting expenses	347,632	-
Per diem-domestic	6,343,464	6,470,420
Per diem - foreign	620,345	153,460
Travel - air tickets domestic	903,904	470,986
Travel - air tickets foreign	50,343	175,912
Training	788,734	795,236
Diesel, petrol, fuels, oils, lubricants	5,529,686	3,806,409
Security control and surveillance	717,162	921,212
Uniforms	685,471	27,435
Telephone	346,241	281,408
Food	5,030,067	4,704,803
Office consumables	795,457	419,580
Cleaning supplies	511,176	547,846
Rent - office accommodation	44,000	58,697
Electricity charges	1,043,348	917,308
Water charges	82,495	79,632
Conference facilities	38,846	174,954
Entertainment	-	5,400

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Audit fee	345,759	362,272
Drugs and medicines	186,941	276,574
Communication network services	99,775	333,723
Printing and photocopy	309,026	218,969
Exhibition, festivals and celebrations	635,127	822,971
Protective clothing footwear and gears	8,019	102,767
Animal feeds	-	900
Warehousing	85,459	148,717
Planning and budgeting exp	865,660	885,000
Sitting allowance	49,070	130,705
Lodging/accommodation	58,193	152,458
Laboratory supplies	5,745	14,146
Subscription fees	981,150	1,013,385
Bank charges	73,523	53,294
Other administrative costs	25,333,020	7,460,369
Ground transport, bus, train, & water	370,646	33,274
Publicity	-	4,130
Foreign exchange loss	273,018	64,516
	<b>53,769,609</b>	<b>32,235,084</b>

During the period under review 2022/23 the Authority reported an increase on administrative expenses to TZS 53,769.6 million as compared to TZS 32,235 million reported on previous financial year 2021/22. The increase was mainly contributed by expenses associated with special operation of Msomera and Pololeti Game-Controlled area under the category of other administration cost which increased to TZS 25,333 million on current year 2022/23 as compared to TZS 7,460 million on previous financial year 2021/22.

## 11. ROUTINE REPAIRS AND MAINTANANCE EXPENSES

	<u>2022/23</u>	<u>2021/22</u>
	<u>TZS'000</u>	<u>TZS'000</u>
Motor vehicle repairs	39,356	270,189
Mechanical & electronic spare parts	89,749	16,292
Spare parts	2,199,514	2,761,918
Tyres and batteries	1,117,302	534,723
Computers and other computers related equipment	137,547	250,097
Electrical and other cabling materials	304,184	473,546
Pipes and fittings	279,556	367,249
Outsource maintenance and contract services	4,609,953	2,744,640
Fire protection equipment	13,465	21,255
Cement; bricks and building materials	351,929	706,511
Aggregates and road surfacing material	1,081,423	1,119,337
Water pumps	23,980	25,650
Small tools, implements and equipment	29,395	23,085

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10,277,353

9,314,492

During the reporting period of 2022/23 the Authority reported an increase on Routine repair and maintenance to TZS 10,360 million as compared to TZS 9,314.4 million reported on previous financial period 2021/22. An Increase was mainly associated with the increase on Outsource maintenance and other contracts services which increased by 71% from TZS 2,744.6 million on 2021/22 to TZS 4,692.7 million on 2022/23.

12. SOCIAL SERVICES EXPENSES	<u>2022/23</u> TZS'000	<u>2021/22</u> TZS'000
Government institution & education support	768,133	1,527,940
Food security distribution	624,194	1,444,320
Schemes & tangible social services	93,792	45,182
Other social benefit activities	1,436,219	1,252,423
	<b>2,922,338</b>	<b>4,269,865</b>

During the reporting financial period of 2022/23, the Authority reported a decrease on Social Services expenses to TZS 2,922.3 million as compared to TZS 4,269.8 million on previous financial period. The Decrease was a result of low cost incurred on Government institutions and education support within NCA as well as food distributions to local indigenous community as some were voluntary relocated to out of NCA.

**13. Depreciation and Amortization Expenses.**

	Refer Note	<u>2022/23</u> TZS'000	<u>2021/22</u> TZS'000
Property Plant and Equipment	14	4,631,727	4,688,820
Impairment of Assets	14	-	1,076,423
Investment Property	15	904,720	904,720
Intangible Assets	24	19,494	19,494
		<b>5,555,941</b>	<b>6,689,457</b>

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**14. PROPERTY, PLANT AND EQUIPMENT**

	Land	Buildings	NCAA electrical Grid, Heavy plant & Machinery	Crater Ascent Road	Office and Hospital Equipment	Motor Cycle and Motor Vehicles	IT System and Peripherals	Furniture and Fittings	Utility water piping	Air craft	Capital work in progress	Total
Cost/ Revaluation	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'
July 2022	13,547,790	20,526,146	8,042,025	5,170,619	602,077	16,476,977	674,975	979,924	1,013,969	45,000	2,081,446	69,160,948
Additions	-	2,923	3,838,997	12,322	57,168	8,506,003	146,736	54,044	304,140	-	3,263,241	16,185,574
Capitalization WIP	-	1,419,502	-	-	-	-	-	-	-	-	(1,419,502)	-
As at 30 June 2023	13,547,790	21,948,571	11,881,022	5,182,941	659,245	24,982,980	821,711	1,033,968	1,318,109	45,000	3,925,185	85,346,522
Accumulated depreciation												
As at 01 July 2022	-	2,614,483	1,924,731	1,309,062	386,498	9,428,073	415,235	639,770	235,464	45,000	-	16,998,316
Depreciation charge	-	416,069	940,616	518,294	53,817	2,472,577	63,389	79,091	87,874	-	-	4,631,727
As at 30 June 2023	-	3,030,552	2,865,347	1,827,356	440,315	11,900,650	478,624	718,861	323,338	45,000	-	21,630,043
Net Book value												
As at 30 June 2023	13,547,790	18,918,019	9,015,675	3,355,585	218,930	13,082,330	343,087	315,107	994,771	-	3,925,185	63,716,479

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	Land	Buildings	NCAA electrical Grid, Heavy plant & Machinery	Crater Ascent Road	Office and Hospital Equipment	Motor Cycle and Motor Vehicles	IT System and Peripheral s	Furniture and Fittings	Utility water piping	Air craft	Capital work in progress	Total
Cost/ Revaluation	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'
July 2021	13,278,804	19,613,866	7,901,316	2,640,000	509,695	14,988,700	633,966	888,576	839,329	45,000	1,668,051	63,007,304
Additions	268,986	-	140,709	-	92,381	1,488,276	41,010	91,348	174,640	-	3,856,294	6,153,644
Capitalization WIP Reclassified for use Note 17	-	912,280	-	2,530,619	-	-	-	-	-	-	(3,442,899)	-
As at 30 June 22	13,547,790	20,526,146	8,042,025	5,170,619	602,076	16,476,976	674,976	979,924	1,013,969	45,000	2,081,446	69,160,948
Accumulated depreciation												
As at 01 July 2021	-	1,150,440	1,003,299	792,000	266,083	7,084,360	280,240	443,786	167,866	45,000	-	11,233,074
Depreciation charge	-	387,620	921,432	517,062	120,415	2,343,713	134,995	195,985	67,598	-	-	4,688,820
Impairment of Asset	-	1,076,422	-	-	-	-	-	-	-	-	-	1,076,422
As at 30 June 2022	-	2,614,482	1,924,731	1,309,062	386,498	9,428,073	415,235	639,771	235,464	45,000	-	16,998,316
Net Book value												
As at 30 June 2022	13,547,790	17,911,664	6,117,294	3,861,557	215,578	7,048,903	259,741	340,153	778,505	-	2,081,446	52,162,631

Property, Plant and Equipment represent various classes of Assets, During the financial period of 2022/23, the Authority reported an increase on Net Property, Plant and Equipment (PPE) to TZS 63,716.4 million as compared to TZS 52,162.6 million reported on previous financial period 2021/22. The increase was mainly associated with additional assets on various classes of assets such as Motor vehicles, Heavy plants and Machinery and Work in Progress of New Head Quarters ongoing construction project at Karatu district. On other hands a sum of TZS 1,419.5 million was transferred from Work in progress to building as a recognition of Water treatment plant which was substantially completed and qualify to be capitalized as a part of building class of asset.



**NGORONGORO CONSERVATION AREA AUTHORITY**

<b>15. INVESTMENT PROPERTY</b>	<b><u>2022/23</u></b>	<b><u>2021/22</u></b>
	<b>TZS'000</b>	<b>TZS'000</b>
Investment Cost	47,771,019	47,437,727
Additions	-	333,292
Total Investment Cost	<b><u>47,771,019</u></b>	<b><u>47,771,019</u></b>
Accumulated Depreciation		
As at 1 July	(1,853,475)	(948,755)
Depreciation Charge for the year	(904,720)	(904,720)
As at 30 June	(2,758,195)	(1,853,475)
Net Book value at 30 June	<b><u>45,012,824</u></b>	<b><u>45,917,544</u></b>

The decrease on the net book value of Investment property to TZS 45,012.8 million during the financial report of 2022/23 as compared with TZS 45,917.5 million on previous financial period 2021/22 was mainly caused by the depreciation charge during the year.

<b>16. INVENTORIES</b>	<b><u>2022/23</u></b>	<b><u>2021/22</u></b>
	<b>TZS'000</b>	<b>TZS'000</b>
Stationery	305,802	237,436
Spare parts	1,562,423	1,092,875
Bullet and ammunitions	75,682	84,586
Consumable and sundry inventories	915,082	1,203,438
NPF Fuel and Lubricant Inventory	86,950	103,670
NPF Stationary Inventory	3,089	3,576
	<b><u>2,949,028</u></b>	<b><u>2,725,581</u></b>

During the financial year 2022/3 the Authority reported an increase in Inventory to TZS 2,949 million as compared to TZS 2,725.5 million in financial period 2021/22. The increase was mainly associated with unconsumed items of spare parts which were not consumed until the year end. However, other items of bullet and ammunitions, consumable and sundry inventories were decreased during the financial year.

**17. TRADE AND OTHER RECEIVABLE**

	<b><u>2022/23</u></b>	<b><u>2021/22</u></b>
	<b>TZS'000</b>	<b>TZS'000</b>
Trade receivables	1,174,111	994,267
Impairment allowance	(247,935)	(483,609)
NPF Receivables	1,116,108	533,293
Less: Inter Unit Receivables	(968,613)	(447,116)
Sub Total A	<b>1,073,671</b>	<b>596,835</b>
Advance payments	1,985,931	12,649,113
NPF Advance payment	22,646	3,055
Staff receivables	14,260	122,682

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Sub Total B	2,022,837	12,774,850
Grand Total (A+B)	3,096,508	13,371,685

Trade and other receivables are non-interest bearing. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The decrease in receivables was mainly contributed by reduction on Advance payment to TZS 2,022.8 million during the financial year 2022/23 as compared to TZS 12,774.8 million on previous financial year 2021/22 which was due upfront payment to SUMAJKT Company Ltd as cost of relocation of local residents within NCA.

**18. Movement on the provision for impairment of trade receivables:**

	<u>2022/23</u>	<u>2021/22</u>
	TZS'000	TZS'000
At the start of year	(483,609)	(392,286)
Provision for the year	(28,825)	(91,323)
Release of provision	264,499	-
	<u>(247,935)</u>	<u>(483,609)</u>

**19. CASH AND CASH EQUIVALENTS**

	<u>2022/23</u>	<u>2021/22</u>
	TZS'000	TZS'000
Bank of Tanzania USD	1,041,823	119,343
NBC TZS Current Account Karatu	2,371	3,576
NBC USD Current Account Karatu	265	1,092
CRDB TZS Current Account	549,761	1,413,194
CRDB USD Current Arusha	6,060	4,822
CRDB TZS Collection Account	75,873	104
CRDB USD Collection Account	239	229
Bank of Tanzania TZS	4,697,710	13,900,926
NMB NPF Karatu Branch (NPF)	5,117	5,117
NPF NBC Uhuru Branch (NPF)	60,126	519,480
Fixed Deposit Account-(FDR). (NPF)	865,391	807,269
	<b>7,304,736</b>	<b>16,775,152</b>

The carrying amounts of the NCAA's and NPF cash and cash equivalents are denominated in Tanzania Shillings. For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand and short-term deposits held at call with banks with maturity of less than 91 days from the date of acquisition.

**20. TRADE AND OTHER PAYABLES**

	<u>2022/23</u>	<u>2021/22</u>
	TZS'000	TZS'000
Trade payables	10,810,016	2,085,877
Unclaimed TRA Revenue	6,320,162	2,442,481
Accrued charges	350,246	100,938
Other payables	2,076,804	3,415,352
NPF Trade payables	147,571	69,608
Less: Inter Unit payables	(968,613)	(447,116)
	<b>18,736,186</b>	<b>7,667,140</b>

During the financial year ended 30 June 2023, the authority reported an increase on trade and other payables amounting to TZS 18,736 million as Compared to TZS 7,667 million from previous financial period 2021/22. The increase was significantly caused by maturity of Authority obligations and commitments, including ongoing development projects which its funds were not received on Trade payable category which increased to TZS 10,810 million in 2022/23 as compared to TZS 2,085.8 million on 2021/22 and unclaimed TRA Revenue funds to treasurer until 30 June 2023.

**21. PROVISIONS**

	<u>2022/23</u>	<u>2021/22</u>
	TZS'000	TZS'000
Audit fees	350,000	340,000
Legal expenses	315,535	315,535
Defined benefit scheme	37,797,547	35,964,780
	<b><u>38,463,082</u></b>	<b><u>36,620,315</u></b>
Classified as:		
Current portion	665,535	655,535
Non-current portion	37,797,547	35,964,780
	<b><u>38,463,082</u></b>	<b><u>36,620,315</u></b>

The Authority has defined benefit scheme which provides for lump sum payment to its employees on their retirement at the age of 60 years or those allowed to be paid 50% of the payment at the age of 20 or more years of service. At 30 June 2023, the present value of accrued (past service) liability in respect of retirement benefit was TZS 37,797 million (2021/22: TZS 35,965 million). The significant actuarial assumptions were as follows:

	<u>2022/23</u>	<u>2021/22</u>
Discount rate	15.91%	15.91%
Salary growth rate	9%	10%
Inflation	4.6%	4.4%

The defined benefit scheme was mainly originated through the agreement between the Authority and workers union (CHODAWU) through the contract known as *Mkataba wa Hali Bora*. There is ongoing debate whether the members of Wildlife and Forest Conservation Service (WFCS) to remain as members of Workers union or be non-members of the unions. Due to the prevailing situation of transforming the authority operations into Paramilitary unit, the Provision of Paramilitary General orders and other regulations may not allow authority's employees to be members of neither workers Union nor any political organization or movements groups. Therefore, if such circumstance will change accordingly there will be also a possibility that the modality of employee's benefits, its underlined assumption and provision may change.

The movement in gratuity provision is as follows;

	<u>2022/23</u> TZS'000	<u>2021/22</u> TZS'000
At the beginning of the year	35,964,780	37,204,494
Current service cost	4,498,978	3,099,443
Payment during the year	(2,666,212)	(4,339,157)
At end of year	<u>37,797,547</u>	<u>35,964,780</u>
<b>22. BORROWINGS</b>	<b><u>2022/23</u></b> TZS'000	<b><u>2021/22</u></b> TZS'000
At the beginning of the year	11,036,461	13,050,763
Interest charged	743,343	1,578,198
Repayments during the year	(3,448,709)	(3,592,500)
	<u>8,331,095</u>	<u>11,036,461</u>
Classified As:		
Current borrowings	3,122,720	2,846,825
Non-current borrowings	5,208,375	8,189,636
	<u>8,331,095</u>	<u>11,036,461</u>

On 26 August 2014, pursuant to section 16 of the Ngorongoro Conservation Area Act, Cap 284 (2002 R.E) the Ministry of Natural Resources and Tourism approved the acquisition of the loan from CRDB Bank amounting to USD 17 million (equivalent to TZS 37,912million) for the construction of Ngorongoro Investment House in Arusha City.

The interest rate for the loan facility is charged floating interest rate based on six (6) months LIBOR plus basis points with a minimum of 8% per annum. The interest rate shall be accrued daily on the outstanding balance and charged monthly. On 10 July 2020, CRDB bank considered to decrease facility interest rate from the floating rate of 6-month LIBOR plus Margin with a minimum of 8% p.a to a fixed rate interest rate of 7.5% p.a following a request from NCAA Management.

The repayment schedule for the loan facility has a credit period of thirteen (13) years including the grace period of three years (or 156 months). The term loan facility amount shall be fully repaid, through one hundred and twenty (120) equal monthly instalments of USD 206,257 effective from 1 February 2018 and shall expire on 1 January 2028.

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<b>23. DEFERRED INCOME</b>	<b><u>2022/23</u></b>	<b><u>2021/22</u></b>
	<b><u>TZS'000</u></b>	<b><u>TZS'000</u></b>
At the beginning of the year	15,142	3,497
Addition during the year	10,137	11,645
	<b><u>25,279</u></b>	<b><u>15,142</u></b>

Deferred income comprises a refundable security deposit from investment property tenants. During the financial year ended 30 June 2023, the Authority reported an increase on Deferred income to TZS 25.2 million compared to TZS 15.1 million reported on previous financial year 2021/22. The increase was caused by the increase in occupancy rate at NTC Investment property.

<b>24. INTANGIBLE ASSETS</b>	<b><u>2022/23</u></b>	<b><u>2021/22</u></b>
	<b><u>TZS'000</u></b>	<b><u>TZS'000</u></b>
Cost	487,344	487,344
Additions		-
Less Accumulated Amortization	(409,369)	(389,875)
Charge for the Year	(19,494)	(19,494)
<b>Net Book Value</b>	<b>58,481</b>	<b>77,975</b>

NCAA have Revenue collection system (Safari Portal) which were internally developed and was first released on 2017. Initially all costs were expensed. However, after thorough analysis, the costs amounting which related to the actual production of the Safari Portal software product were capitalized hence the balances were restated. However, during the financial year 2021/22 the management reviewed the useful life of Safari Portal which is still in use.

The Authority has specific accounts for collections of fees. During the year, the summary of these collections was as follows.

<b>25. RECEIPTS FROM CUSTOMERS</b>	<b><u>2022/23</u></b>	<b><u>2021/22</u></b>
	<b><u>TZS'000</u></b>	<b><u>TZS'000</u></b>
Opening trade and other receivables	994,267	1,742,968
Closing balance of Deferred Income	25,279	15,142
<b>Add: Revenue</b>		
▪ Exchange revenue	431,385	680,288
▪ Revenue from non-exchange	103,208,590	116,969,367
▪ other income	160,128	333,000
Disposal of Non-current Assets to Investment		(333,000)
Bad debt adjustment recovery	(264,499)	
In kind Income	(234,438)	(219,297)
Opening balance of Deferred Income	(15,142)	(3,497)
Less: Closing trade and other receivables	(1,174,111)	(994,267)
<b>Total receipts</b>	<b><u>103,131,459</u></b>	<b><u>118,190,705</u></b>

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Less: Government Subvention	(102,707,252)	(116,750,070)
Receipt from customers	424,207	1,440,635

The total receipt of 107,009 million includes amount from Government (Other charges, Personal Emolument and development Fund amounting to TZS 102,707.2 million) refer note 5. Therefore, Own source collected directly from NCAA customer's accounts amounted to TZS 4,301.8 million during the year under review compared to TZS 2,832.7 million on previous year 2021/22.

**26. PAYMENTS TO SUPPLIERS, EMPLOYEES AND FOR EXPENSES**

	<u>2022/23</u>	<u>2021/22</u>
	<u>TZS'000</u>	<u>TZS'000</u>
Opening trade payable and other payables	44,290,080	42,826,792
Closing Advance payment	157,037	9,773,890
Closing Stock	2,858,988	2,618,335
Closing staff receivables	14,260	122,683
<b>Add: Total expenses</b>		
▪ Wages, salaries, and other employee benefits	45,800,763	44,797,651
▪ Operating expenses	4,689,201	6,844,189
▪ Administrative expenses	53,769,609	32,235,084
▪ Routine repairs and maintenance expenses	10,277,353	9,314,492
▪ Social service and transfers expenses	2,922,338	4,269,865
In kind Income	(79,569.50)	(209,096)
Provision for bad debt	(28,825.19)	(91,323)
Interest to financing activities	(743,342.90)	(1,578,198)
Opening Advance payment	(9,773,889.95)	(930,555)
opening staff receivables	(122,683.15)	(72,482)
Opening Stock	(2,618,334.81)	(1,772,923)
Less: Closing trade and other payables	(53,903,037)	(44,290,080)
<b>Total payments (recurrent)</b>	<b><u>97,509,948</u></b>	<b><u>103,858,323</u></b>

**27. Reconciliation of Net Cash Flows from Operating Activities to Surplus/(Deficit)**

	<u>2022/23</u>	<u>2021/22</u>
	<u>TZS "000"</u>	<u>TZS "000"</u>
Surplus/(deficit) from ordinary activities	(19,215,103)	13,831,918
<b>Noncash movements</b>		
Depreciation & Impairment	5,555,941	6,689,457
Other Non-cash items	-	55,354
Increase (Decrease) in Provision for Golden Handshake	1,842,766	(577,295)
Payables Movement Related to capital expenditure	(3,742,390)	-
Advance payment related to Capital expenditure	(1,046,329)	-

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Revenue in-kind related to PPE	(154,869)	
Increase in payables	11,512,580	2,005,074
Other Payables	10,138	11,873
Receipt on disposal of PPE	-	(333,000)
Increase in other current assets	(240,653)	(845,412)
Interest Expense	743,343	1,578,198
(Increase) decrease in receivables	10,356,086	(8,083,785)
Net cash flows from operating activities	5,621,511	14,332,382
NFP Net Cash (Out)/In flows from operating activities	(401,232)	296,285
Total Net cash flows from operating activities	5,220,279	14,628,667

## 28. FINANCIAL ASSETS AND LIABILITIES

	<u>2022/23</u>	<u>2021/22</u>
	TZS'000	TZS'000
<b>Financial assets:</b>		
Receivables (excluding prepayments)	926,176	510,657
Cash at bank and in hand	6,374,101	15,443,285
Total	7,300,277	15,953,872
<b>Financial liabilities at amortized cost:</b>		
Payables and accrued expenses	17,563,175	4,629,296
Borrowings	8,331,094	11,036,461
	25,894,269	15,665,757

## 29. RELATED PARTY TRANSACTIONS

	<u>2022/23</u>	<u>2021/22</u>
	TZS'000	TZS'000
<b>DIRECTOR'S FEES AND EXPENSES</b>		
Director's fees	62,000	-
Per diems	214,700	-
Board Travelling Costs	28,345	-
Board Conference Facilities	42,587	-
Total Directors Expenses	347,632	-

## KEY MANAGEMENT COMPENSATION:

Short-term employment benefits	1,674,000	1,606,965
Post-employment benefits	2,975,762	2,258,951
Total Key management Compensation	4,649,762	3,865,916
<b>Grand Total</b>	<b>4,997,394</b>	<b>3,865,916</b>

Key management personnel are described as those persons having authority and responsibility for planning and directing NCAA. These are Authority managers including the Conservation Commissioner and Deputy Conservation Commissioners.

**30. LEASE AGREEMENTS*****Operating Leases***

The leases entered into by the Authority are operating leases although Authority transfers substantially all the risks and benefits of ownership of the assets to the lessees. Applicable leases operating within the Conversation Area and their corresponding lease periods are as follows:

S/N	Name of lessee	Lease period (Years)	Effective date
1	Consolidated Tourist & Investment Ltd (Ngorongoro Sopa Lodge Ltd)	33	12/03/1990
2	Tourism Promotion Services	33	05/09/1990
3	Ngorongoro Crater Lodge	33	06/11/1991
4	ASB TANZANIA LIMITED	33	13/09/2021
5	Ndutu Safari Lodge Ltd	33	01/07/2003
6	Rhino Lodge	15	10/10/2006
7	Zara International Travel Agency (Esirwa Tented Camp)	33	10/11/2007
8	Tanganyika Wilderness Camp (Masek Tented Camp)	33	20/11/2007
9	Leopard Tours Ltd (Luxury tented Camp at Ndutu)	33	18/12/2013
10	Tanganyika Wildlife Safari (Kiloki Tented Camp)	33	01/01/2007
11	Asilia Lodges and Camps (Alchaniomelok)	33	05/02/2019
12	Nomad Tanzania (Ndepes)	33	05/02/2019
13	Kuhama Camp Tanzania (Lemala)	33	01/07/2018
14	Mount Kilimanjaro safari Club (MKSC)	20	15/04/2018

The fee chargeable to facility owners' operating within NCA are prescribed by Government Notice issued from time to time. The basis for charges is based on citizenship and age group of the visitors.

**31. CONTINGENT LIABILITIES**

In ordinary course of business, the Authority is a defendant in various Civil and Labour case ligations and claims. There are 13 cases labour disputes are underway at different stages, 4 disputes are at Court of Appeal (TZ), 6 cases have been filled at high Court and 3 cases are underway at Arbitration Stages at the Commission for Mediation and Arbitration. Although there can be no assurances, based on the information current available on legal advice, during the year under review the Board of Directors expects that it is possible that the outcome of actions with total exposure TZS 315 million (2021: TZS 315 million) could result into loss to the Authority.



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## 32. ANALYTICAL EXPLANATION BETWEEN MAJOR DIFFERENCES BETWEEN FINAL BUDGET AND ACTUAL AMOUNT

Item	Details	Reasons for Major Variance
A	Government Subvention	The major difference of TZS 17,346.2 million was due to the decrease in amount received from Government subvention amounted to TZS 102,707.2 million as compared to budgeted amount of TZS 120,053.4 million.
B	Receipt from Customers	The TZS 424.2 million were funds received from customers which was previously not budgeted by the Authority. The said amount was adjusted and being included on final budget column. The major difference of TZS 109.8 million was a result of the difference between the amount raised and actual amount collected.
C	Wages salaries and other employee benefits	Actual expenditure decreased due to retirement of staffs while few were replaced.
D	Administrative expenses	The major difference of TZS 2,234.6 million was due to low amount spent on special operation as the due the waiting of second phase of resettlement program.
E	Routine repair and maintenance expenses	The difference of TZS 1,786.9 million was due to decrease on Funds received from Treasurer from budgeted amount in respect of road maintenance and outsource maintenance.
F	Operating expenses	The Difference of TZS 1,110.7 million was due low funds received and spent on Operating expenses from government as compared with budgeted amount.
G	Social services and transfers	The Difference of TZS 1,161.5 million was due low funds received and spent on social services and transfers from government as compared with budgeted amount.

## 33. Cash from Investing Activities Comprise of cash paid to Acquire;

	<u>2022/23</u> TZS'000	<u>2021/22</u> TZS'000
Opening Payable relating to PPE	374,883	410,393
Closing advance payment	1,828,893	2,875,223
Add: Additions		
▪ PPE	16,185,574	6,153,644
▪ Investment Property		333,292
Non-Cash item	(154,868)	(10,200)
Less: Closing payable relating to PPES	(4,117,273)	(374,883)
Less: Opening advance payments (under note 19)	(2,875,223)	(2,844,951)
Total payments (recurrent)	11,241,986	6,542,518

## 34. FINANCIAL STATEMENTS RELATED TO NGORONGORO PROTECTION FUND (NPF)

Due to geographical location/difficulties within Ngorongoro Conservation Area (NCA), The Ngorongoro Protection Fund (NPF) is the unit established for the purpose of providing fuel and lubricants service to NCAA motor vehicles and its Equipments as well Tourist and other people with fuel needs who visit the area. However, During the year under review, as due to relocation of Authority's Head Quarter from NCA to Karatu district, the Management has decided to close the NPF station and allocate its assets and liabilities to the one of the Unit/sections to continue with fuel and lubricants service to some of Authority's Motor vehicles, Heavy plants, Machinery and Equipment and other potential users operating within

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the NCA. On other hands the Authority has a Memorandum of Understanding with GPSA Tanzania to provide fuel service to Authority's Motor vehicles operating outside the NCA.

<b>34.A. NPF STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023</b>			
	<b>NPF Notes</b>	<b>2023</b>	<b>2022</b>
		<b>TZS'000</b>	<b>TZS'000</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalent	5	930,634	1,331,866
Trade And Other Receivables	6	1,138,754	536,348
Fuel Inventory	7	86,951	103,670
Stationary Inventory	7	3,089	3,576
<b>Total Assets</b>		<b>2,159,428</b>	<b>1,975,461</b>
<b>Equity and Liabilities</b>			
Trade Payables	9	147,571	69,608
<b>Total Liabilities</b>		<b>147,571</b>	<b>69,608</b>
<b>Equity</b>			
Retained Earning		2,011,857	1,905,851
<b>Total Equity and Liabilities</b>		<b>2,159,428</b>	<b>1,975,459</b>

**NPF NOTES TO STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

**NPF Note 5: Cash and Cash Equivalent**

	<u><b>2022/23</b></u>	<u><b>2021/22</b></u>
	<b>TZS'000</b>	<b>TZS'000</b>
NMB NPF Karatu Branch (NPF)	5,117	5,117
NPF NBC Uhuru Branch (NPF)	60,126	519,480
Fixed Deposit Account-(FDR). (NPF)	865,391	807,269
	<u><b>930,634</b></u>	<u><b>1,331,866</b></u>

**NPF Note 6: Trade and other receivable**

	<u><b>2022/23</b></u>	<u><b>2021/22</b></u>
	<b>TZS'000</b>	<b>TZS'000</b>
Trade Receivables	1,116,108	533,293
Advance payment	22,646	3,055
	<b>1,138,754</b>	<b>536,348</b>

**NPF Note 7: Fuel and Other Inventory**

	<u><b>2022/23</b></u>	<u><b>2021/22</b></u>
	<b>TZS'000</b>	<b>TZS'000</b>
Super Petrol	10,249	5,252
Diesel	21,813	44,457
Kerosine	3,030	2,816
Engine Oil & Other Lubricants	50,865	46,145
Brake Fluid	994	1,458
Grease	-	3,542
	<u><b>86,951</b></u>	<u><b>103,670</b></u>

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Stationary Inventory	3,089 <u>90,040</u>	3,576 <u>107,246</u>
NPF Note 9: Trade payable	<u>2022/23</u> TZS'000	<u>2021/22</u> TZS'000
Trade payable	147,571 147,571	69,608 69,608

34.B. NPF STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023			
	NPF Notes		
		2023	2022
		TZS'000	TZS'000
<b>Income</b>			
Sales	1	6,583,170	5,153,738
Les: Cost of Sale	2	(6,324,357)	(5,157,965)
<b>Gross profit</b>		<b>258,813</b>	<b>(4,227)</b>
<b>Other Income</b>			
Interest Income	3	58,123	54,220
<b>Total Gross profit</b>		<b>316,936</b>	<b>49,993</b>
<b>Expenditure</b>			
Operating expenses	4	(210,931)	(12,286)
<b>Net Profit</b>		<b>106,005</b>	<b>37,707</b>

**NPF NOTES TO STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023**

**NPF Note 1: Sales**

	<u>2022/23</u> TZS'000	<u>2021/22</u> TZS'000
Super Petrol	158,377	196,336
Diesel	5,889,605	4,586,599
Kerosine	-	173
Engine Oil & Other Lubricants	477,265	324,478
Brake Fluid	8,347	8,352
Grease	49,576	37,800
	<u><b>6,583,170</b></u>	<u><b>5,153,738</b></u>

**NPF Note 2: Cost of Sales**

	<u>2022/23</u> TZS'000	<u>2021/22</u> TZS'000
Super Petrol	175,399	192,483
Diesel	5,704,771	4,615,355
Engine Oil & Other Lubr	342,576	214,236
Brake Fluid	11,117	25,254
Grease	29,112	30,125

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Carriage Inwards	61,382	80,512
	<b>6,324,357</b>	<b>5,157,965</b>

**NPF Note 3: Interest Income**

	<u>2022/23</u> TZS'000	<u>2021/22</u> TZS'000
Interest from fixed deposit	58,123	54,220
	<b>58,123</b>	<b>54,220</b>

**NPF Note 4: Operating expenses**

	<u>2022/23</u> TZS'000	<u>2021/22</u> TZS'000
Per-diem Domestic	8,310	2,520
Stationary	195,423	298
Other office equipment expenses	1,005	5,109
Fuel and lubricant	5,575	3,750
Bank charges	618	609
	<b>210,931</b>	<b>12,286</b>

<b>34.C.NPF STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023</b>					
	Capital Fund	Revaluation reserve		Accumulated surplus	Total
		TZS'000		TZS'000	TZS'000
<b>Year ended 30 June 2023</b>					
At the start of the year	-	-	-	1,905,852	1,905,852
Surplus for the period	-	-	-	106,006	106,006
				<b>2,011,858</b>	<b>2,011,858</b>
	Capital Fund	Revaluation reserve		Accumulated surplus	Total
		TZS'000		TZS'000	TZS'000
<b>Year ended 30 June 2022</b>					
At the start of the year	-	-	-	1,868,146	1,868,146
Surplus for the period	-	-	-	37,706	37,706
	-			<b>1,905,852</b>	<b>1,905,852</b>

<b>34.D. NPF CASH FLOWS STATEMENT FOR THE YEAR ENDED 30 JUNE 2023</b>			
	NPF Notes	222/023	2021/22
		TZS'000	TZS'000
<b>Receipts</b>			
Opening Trade Receivables	6	533,293	770,795
Sales	1	6,583,170	5,153,737
Interest income	3	58,123	54,220
less: Closing Receivable	6	(1,116,108)	(533,293)
<b>Total Receipt</b>		<b>6,058,478</b>	<b>5,445,459</b>
<b>Payment</b>			

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<b>34.D. NPF CASH FLOWS STATEMENT FOR THE YEAR ENDED 30 JUNE 2023</b>			
	<b>NPF Notes</b>	<b>222/023</b>	<b>2021/22</b>
Closing Advance payment	6	22,646	3,055
Opening Payables	9	69,608	5,000
Closing Inventory	7	90,040	107,246
<b>Payments</b>			
Cost of Sale	2	6,324,357	5,139,887
Operating expenses	4	210,931	12,286
<b>Non-Cash Items Adjustments</b>			
NCAA Receivables Adjustment		-	18,078
Less: Opening Advance payment	6	(3,055)	-
less: Closing Payable	9	(147,571)	(69,608)
less: Opening Inventory	7	(107,246)	(66,770)
Payments made		6,459,710	5,149,174
<b>Net Receipts from Operating Activities</b>		<b>(401,232)</b>	<b>296,285</b>
Opening Cash and Cash equivalent	5	1,331,866	1,035,581
<b>Closing Cash and Cash Equivalent</b>		<b>930,634</b>	<b>1,331,866</b>

**35. Prior Year Adjustment on Retained Earning**

In prior Seven years management has not been reporting assets, liabilities and share of profit or loss from Ngorongoro Protection Fund (NPF) in the Authority's financial statements. This is because, the directors were unable to establish whether NPF is a subsidiary or associate company of NCAA. In absence of legal documents to establish ownership structure of NPF and its relationship with NCAA, the prior year's financial statements of NCAA have been restated to include NPF results.

However, according to IPSAS 23 "Revenue from Non-Exchange Transaction" PAR 20 and IPSAS 1 "Presentation of Financial Statement" which state stat "If information is to represent faithfully the transactions and other events that it purports to represent, it is necessary that they are accounted for and presented in accordance with their substance and economic reality and not merely their legal form. The substance of transactions or other events is not always consistent with their legal form". Therefore, pursuant to the definition and meaning of substance over form from both IPSAS 1 and IPSAS 23, the Directors and management of NCAA decided to include corresponding items of NPF on NCAA financial statements.

The Directors have considered practical expedient approach in accordance with provisions of IPSAS 3 in adjusting the cumulative impact of NPF results on NCAA's financial statements and corrected misstatements for prior years. The impact of unadjusted years as a result of practical expedient approach is deemed immaterial.

On other hands, the Government through the Ministry of Finance amended the Finance Act of 2020 and give mandate to Tanzania Revenue Authority to collect all monies payable to

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NCAA. However, upon implementation of the amendments during the financial 2020/21, 2022/22 and 2022/23 TRA was able to collect only Tour income which is channelled through Safari portal as NCAA Tour income collection system. Due to nature of transaction being on invoice based, TRA was unable to collect other non-tour income such as Hunting Block fees, rent from investment property, water income, tower income and other items of non-tour income. As from financial year 2020/21 through 2022/23 the authority was reporting the other income as a line item in the face of statement of financial performance. During the financial year ended 30 June 2023, the authority decided to present all unclaimed non-tour income as payables to TRA, therefore the adjustment was made and restate the previous two years amount of payable to reflect the unclaimed amount to TRA.

The effect of restatement in the books of NCAA is as follows:

<b>NCAA:</b>	<b>As previously Stated,</b>	<b>Restatement</b>	<b>As restated</b>
	<b>TZS '000</b>	<b>TZS '000</b>	<b>TZS '000</b>
<b><u>As at 30 June 2022:</u></b>			
<b>i) Effect on statement of financial position</b>			
Cash and cash equivalents	15,443,285	1,331,867	16,775,152
Trade and other receivables	13,282,453	89,232	13,371,685
Inventories	2,618,335	107,246	2,725,581
Trade and other payables	(5,602,166)	(2,064,974)	(7,667,140)
Accumulated Surplus	(76,220,630)	(536,630)	(75,684,000)

**As at 30 June 2022:**

<b>i) Effect on statement of Financial Performance</b>			
Revenue from No-exchange Transactions	117,088,660	119,293	116,969,367
Revenue from Exchange Transactions	964,500	284,212	680,288
Investment Income	975,373	975,373	-
Other Income	346,260	13,260	333,000
NPF Income	-	(37,706)	37,706
Deficit/surplus for the year	15,224,056	1,354,432	13,869,624

<b>NCAA:</b>	<b>As previously stated,</b>	<b>Restatement</b>	<b>As restated</b>
	<b>TZS '000</b>	<b>TZS '000</b>	<b>TZS '000</b>
<b><u>As at 30 June 2021:</u></b>			

<b>i) Effect on statement of Financial Position</b>			
Cash and cash equivalents	10,912,920	1,035,581	11,948,501
Trade and other receivables	5,198,669	358,485	5,557,154
Inventories	1,772,924	66,770	1,839,694
Trade and other payables	(4,382,468)	(643,034)	(5,025,502)
Accumulated Surplus	(60,996,574)	(817,802)	(61,814,376)