



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



ROADS FUND BOARD (RFB)

REPORT OF THE CONTROLLER AND AUDITOR GENERAL
ON THE FINANCIAL AND COMPLIANCE AUDIT FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025

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March 2026

AR/CG/RFB/2024/25

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.

NAOT Vision, Mission & Motto



Vision

A credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.



Mission

To provide high-quality audit services through modernization of functions that enhances accountability and transparency in the management of public resources.



Motto

Modernizing External Audit for Stronger Public Confidence



Core Values



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



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.



Results-Oriented: We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.



Team Work Spirit: We value and work together with internal and external stakeholders.

© This audit report is intended to be used by Road Fund Board (RFB) 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

AR	Audit Report
CAG	Controller and Auditor General
CG	Central Government
ISSAIs	International Standard of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
MDA	Ministries, Departments and Agencies
MoW	Ministry of Works
PAA	Public Audit Act No.11 of 2008
PAR	Public Audit Regulation, 2009
PAC	Public Accounts Committee
PFA	Public Finance Regulations, 2009
PPA	Public Procurement Act, 2011 (as amended in 2016)
PPR	Public Procurement Regulations, 2013 (as amended in 2016)
RFB	Road Fund Board
TANROADS	Tanzania National Roads Agency
TARURA	Tanzania Rural and Urban Authority
TRA	Tanzania Revenue Authority
TZS	Tanzania Shillings

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chief Executive,
Road Fund Board,
Njedengwa Investment,
P. O. Box 993,
DODOMA.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Roads Fund Board (RFB), which comprise of the Statement of Financial Position as at 30 June 2025, Statement of Financial Performance, Statement of Changes in Net Assets, Cash Flow Statement and the Statement of Comparison of Budget and Actual Amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Roads Fund Board (RFB) as at 30 June 2025, and its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and in the manner required by the Public Finance Act, Cap. 348 [R.E 2020].

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 the Roads Fund Board (RFB), 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, Statement of Responsibility by Those Charged with Governance, and the Declaration by the Head of Finance and Accounting, but does not include the financial statements and my audit report thereon.

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

If, based on the work I have performed on the other information that 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 as issued by the International Public Sector Accounting Standard Board (IPSASB) 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.

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 conducted a compliance audit of the procurement of works, goods, and services at the Roads Fund Board (RFB) for the year ended 30 June 2025, in accordance with the Public Procurement Act, the Public Procurement Regulations, 2024, and related directives. I examined each phase of the procurement life cycle, including advertising of tenders, evaluation of bids, award of contracts, and contract management, to confirm that the entity issued competitive solicitations, applied approved evaluation criteria, secured authorisations before award, and maintained complete transaction records.

Conclusion

Based on the audit procedures performed, I conclude that the Roads Fund Board (RFB) complies, in all material respects, with the requirements of the Public Procurement laws in Tanzania.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I conducted a compliance audit of budget formulation and execution at the Roads Fund Board (RFB) for the year ended 30 June 2025 as per the Budget Act, Cap. 439 and the Budget Guidelines issued by the Ministry of Finance. I reviewed budget submissions, approval memoranda, commitment registers, ledger entries and variance analyses to confirm that the entity prepared estimates in the prescribed format, obtained timely authorisations before incurring obligations, recorded transactions accurately and reported variances as required.

Conclusion

Based on the audit procedures performed, I conclude that Roads Fund Board (RFB) complies, in all material respects, with the requirements of the Budget Act and related Budget Guidelines.



Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2026



2.0 FINANCIAL STATEMENTS

1. INTRODUCTION

Those Charged with Governance (TCWG) present this report together with the audited financial statements for the year ended 30 June 2025. The report provides the results of the Board's operations and its state of affairs. TCWG prepared the report in compliance with TFRS 1, i.e., the report by those charged with governance issued by NBAA and became effective on 1 January 2021.

The report is addressed to primary users and other stakeholders by setting out an analysis of the Board's operations and financial review with a forward-looking orientation. The report will assist primary users and other stakeholders in assessing the strategies adopted by the Board and the potential for those strategies to succeed in creating value over the short-term, medium-term and long-term periods.

2. VISION, MISSION AND CORE VALUES

Vision	Excellence in Roads Fund management for a well-maintained public road network.
Mission	To provide sustainable funding for road maintenance to Road Agencies through collection, disbursement and monitoring its utilisation for the socio-economic well-being of the public.
Core values	Integrity: We observe and maintain high standards of ethical behaviour and the rule of law. Transparency: We are open, accountable and responsible to stakeholders. Teamwork: We work as a team to achieve our objectives. Competence: We depend on skills, knowledge, and experience in all fields of our operations. Innovation: We believe in creative ideas, technologies and practices to enhance quality, effectiveness and efficiency in road maintenance financing. Professionalism: We execute our duties with respect to professional skills, ethics, standards and guidelines

3. NATURE OF OPERATIONS

(a) Industry in which the Roads Fund Board operates

The Roads Fund and its Board were established by the Roads and Fuel Tolls Act, Chapter 220 (R.E. 2019). The Board is responsible for managing the Fund into which all monies collected from roads and fuel tolls for road maintenance are deposited. The Board is currently managing the financing of 181,602.2 kilometres of the public roads network in the Tanzania Mainland.

(b) Structure of the Board's operation, and its economic model, including an overview of the main operating facilities and their location

The Board is governed by the Board of Directors established under Section 5 of the Roads and Fuel Tolls Act, Cap. 220 R.E 2019. The Directors are responsible for providing strategic direction and overseeing the operations of the Fund. The Board Head Office is located in Dodoma. The Fund and its Board were established to ensure sustainable financing of road maintenance. The Board uses an approved funds allocation formula to disburse funds to Road Agencies to finance road works.

(c) Effectiveness and efficient utilisation of resources

Efficient and effective utilisation of the Board's resources is guaranteed by a well-constituted Board, effective Management, competent human resources, deployed ICT infrastructure, and documented internal operating procedures. The Board utilises tangible and intangible resources, including intellectual resources, human resources, social and relationship resources, and financial resources, to ensure efficient and effective management of its operations.

(d) Legislative and Regulatory Environment

The legal environment contributes to the potential impact on the Board as it embraces legislative change in the external atmosphere in which the Board operates. The existence of the Roads and Fuel Tolls Act Cap. 220 R.E 2019, regulations and guidelines enhance the Board to perform its function. The Board is cautious of what is legally permissible in order to execute its functions successfully.

(e) The legitimate needs and interests of key stakeholders

The Board embraces the needs and interests of key stakeholders in its decision-making. In this regard, the Board has identified categories of key stakeholders, including road users, the Government, employees, suppliers, business partners, society, regulators, and policymakers. The needs and interests of each stakeholder have been identified in the note. 10, of the Report by TCWG.

(f) Macro and Micro Economic Conditions

Both positive and negative global, regional and national economic performance influence performance of Board operations. Recent improved global and regional economic performance has contributed to a significant increase in Roads Fund revenue collection from fuel levy and transit charges due to increased fuel consumption and the number of transit vehicles. The stable exchange rate and low inflation rate have contributed to the good performance of the Board's mandated function.

(g) Market Forces

The Board operates as a player in roads with a given exclusive mandate on items as stated in CAP 220 (R.E. 2019). There is no competition with internal players in the industry.

(h) The speed and effect of technological Change

The Board strives to keep up with rapid technological changes in effective service delivery. The Board focuses on development in information technology and improvements in technology related to the industry. The Board is aggressively embracing technological advancement by automating its processes and adopting digital transformation to meet the needs and expectations of its stakeholders. The Board has invested in ICT systems, trained its staff on proper usage of the systems, and re-engineered its business processes to improve service delivery.

In collaboration with eGA, the Board has developed a number of integrated Business Management Systems to improve service delivery. The systems include e-Office Management System (eOMS), Employee portal (Watumishi Portal), Convene - Board meetings application, RFB MIS - for office operations, and Barabara App - for collecting information from road users.

(i) Societal Issues

The Board is working in the areas that involve shared culture and attitudes of the population where it is operating. In this regard, the Board participates in and supports society's programs under the corporate social responsibility, including the support of the implementation of environmental protection initiatives. Going forward, the Board will consider increasing its budget allocation and focus its contribution on the welfare of society.

(j) Political Environment

The Board prepares its plans and budgets in line with the ruling political party (Chama cha Mapinduzi) Manifesto. The political environment in the country is calm for the Board

to perform its functions without political challenges. There has been no political interference in the Board's exercise of its mandate.

4. SERVICE PERFORMANCE INFORMATION

Objectives	Strategies (Short / Medium / Long)	Target (Current Year / Previous Year / Upcoming Year)	Risk	Risk Impact	Risk Mitigation	Input	Processes	Outputs	Outcome	KPIs	Implementation Status	Budget (TZS 'Mio)	Actual (TZS 'Mio)
HIV/ AIDS Infections reduced, and Non-Communicable Chronic Diseases (NCCDs) Interventions improved	Promote awareness on HIV/AIDS and NCCDs to staff	HIV/AIDS intervention programmes reviewed and implemented by June 2025	Prevalence of HIV/AIDS Infection and NCCDs among staff	Greater absenteeism and operational inefficiencies.	Develop and implement customized HIV/AIDS and NCCDs Guideline	Financial Human Resources	Facilitate availability of conducive working environment at work place Oversee constant flow of office amenities	Awareness plan HIV intervention program in place	Increased HIV/AIDS awareness among Staff	Number of HIV/AIDS programs Number of sensitization seminars	One program was reviewed and one sensitization seminar was conducted	24.4	12.5

Report by Those Charged with Governance & Financial Statements for the period ended 30 June 2025

National Corruption Strategy enhanced, sustained and effectively implemented	Promote integrity and ethical behaviour in the institution	Ethics and integrity committee facilitated by June 2025 2023/24:04; 2024/25:04; 2025/26:04	Prevalence of unethical practices and fraud incidences	Tarnished Board image and loss of reputation. Personal career affected	Develop and enforce control framework (Fraud Policy, Governance and Control Procedures). Conduct awareness seminars on ethics, fraud and	Financial Human Resources	Facilitate the availability of a conducive working environment	Minutes of the Ethics and Integrity Committee Meetings Implementation of the committee	Adherence to the code of ethics and conduct	Number of integrity committee meetings	Four Ethics and Integrity committee members were conducted	43.1	20.0	7.0
Non-communicable diseases (NCDs) intervention program developed and implemented by June 2025 2023/24:01; 2024/25:01; 2025/26:01	Prevalence of HIV/AIDS infection and NCCDs among staff	Greater absenteeism and operational inefficiencies. Increase in welfare costs for employees. Impact on success on planning and institutional memory Stigma Death and high replacement costs.	Develop and implement customised HIV/AIDS and NCCDs Guideline Conduct HIV/AIDS and NCCDs awareness seminars. Put posters in selected places and on the intranet. Establish and operationalise the RFB Sports Club. Plan and conduct social gatherings and bonanzas. Plan and organise staff testing for HIV and NCCDs. Plan and conduct lifestyle change training programs.	Financial Human Resources	Facilitate the availability of a conducive working environment Oversee a constant flow of office amenities	NCCDs Guideline	Increased NCCD awareness among Staff	Number of NCCD programs Number of sensitisation seminars	One program was developed, and one sensitisation seminar was conducted					

Funding Adequacy for Road Maintenance Enhanced	Strengthen revenue mobilisation measures including proposals to widen the resource base and adjust road user charge rates, as well as conducting studies to address concerns of policymakers and road users	Road maintenance capacity increased to 65% by June, 2025 2023/24:60; 2024/25:65; 2025/26:70	Low capacity of Roads Fund to finance road maintenance requirements	Deterioration of road condition and loss of past Government investment in the road sector. Increased road accidents and loss of lives and properties. Increased cost of Government	Litigation costs may increase Financial loss (revenue leakage)	Corruption staff Conduct awareness seminars to code of conduct, staff regulations and other government circulars. Conduct training on customer care and behavioural aspects Disseminate anti-corruption posters and flyers on notice boards.	to Conduct studies on possible sources for broadening revenue base. Conduct awareness seminars to stakeholders Monitor enforcement of implementation of legal framework for vehicle overload control Conduct consultations with Partners to encourage them to finance road maintenance interventions	Financial Human Resources	Advise the Board on new sources of revenue and adjustment of rates on existing sources coordinate preparation and implementation of the corporate strategic plan monitor operations of Road Agencies with respect to	Recommendations Conflict of Interest policy Code of Ethics and Conduct	Improved road condition Road maintenance financing capacity Road maintenance capacity has dropped to 41%.	2,326.3	1,717.3
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AR/CG/RFB/2024/25

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Report by Those Charged with Governance & Financial Statements for the period ended 30 June 2025

Value for Money on the Road Network and Road Works Enhanced	Strengthen the monitoring and evaluation of Road Agency operations	The technical monitoring and evaluation framework of National District Road operations will be reviewed and operationalised by June 2025 2023/24:12; 2024/25:12; 2025/26:17	Inappropriate utilization of funds for road works	Reduced competitiveness of Tanzania's goods and services due to high transport costs. Decline of the Roads Fund's capacity to finance road maintenance interventions.	Continue implementing preventive technical monitoring (internal and external) Continue reviewing quarterly progress reports. Advocate use of alternative appropriate technologies on road works. Facilitate the development and effective use of Roads Asset Management	Financial Human Resources Monitoring tools	review, and evaluate road work plans and programs for the purpose of ensuring optimal allocation and utilization of resources conduct technical monitoring and evaluate the implementation of road works to ensure	Monitoring Reports Annual performance agreement	Improved road condition Value for money in road maintenance works	Coverage of monitoring visits	Preventive monitoring to 12 regions with 746 projects was conducted	14,344,6	5,393.9
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Report by Those Charged with Governance & Financial Statements for the period ended 30 June 2025

RFB	Institutional Capacity to undertake its mandate improved	Strengthen human resource management and administration	Human resource plan implemented June 2025 2023/24:01; 2024/25:01; 2025/26:01	Staff perform less than expected	Non - or unlikely achieve the objectives (ineffective and inefficient operations). Tarnished image of the Board (stakeholders' expectations not met). May lead to staff turnover	Systems for Road Agencies. Develop and implement a mechanism for climate change mitigation. Monitor implementation of road work projects. Promote the use of framework contracts for routine road works.	Financial Human Resources	value for money supervise the preparation of performance agreements between the Board and the Road Agencies	Human resource plan Incentive Scheme Training Program Training Reports	Improved working environment Improvement in human resource capacity An increase in the level of staff satisfaction	Reviewed the human resource plan The human resource plan was reviewed	1,341,383.80	612,097.70
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5. OBJECTIVES AND STRATEGIES

No.	Objectives	Strategies
(a)	Objective A: HIV/ AIDS infections reduced, and non-communicable diseases interventions improved	Medium-Term Strategy: Promote awareness of HIV/AIDS and NCDs to staff.
(b)	Objective B: National Anti-Corruption Strategy enhanced, sustained and effectively implemented:	Medium-Term Strategies - Promote transparency of RFB operations - Promote integrity and ethical behaviour in the institution
(c)	Objective C: Funding adequacy for road maintenance enhanced	Medium-Term Strategies Strengthen revenue mobilisation measures
(d)	Objective D: Value for money on the road network and road works enhanced	Medium-Term Strategies - Strengthen monitoring and evaluation of Road Agency operations - Promote research and adoption of appropriate technologies in road works - Provide policy directives concerning preparation of maintenance programs.
(e)	Objective E	Medium-Term Strategies - Strengthen human resource management and administration - Promote usage of ICT - Strengthen good governance and RFB visibility - Strengthen internal control systems

6. STAKEHOLDERS' RELATIONSHIP

Stakeholders	Their Interests / Concerns	Value we create
Ministry of Works (MoW)	• Sound advice on new sources • Recommendations on equitable funds allocation criteria • User-friendly mechanisms for collecting and reporting abnormal load permit fees • Quality and timely reports • Timely disbursement according to operational plans • Sound technical advice on road-related issues • Easily understood and implementable guidelines	• Mobilisation, disbursement and monitoring of roads fund revenue. • Equitable fund allocation formulae to Road Agencies. • Technical advice on road-related issues. • Guidelines on utilisation of funds. Of road
Ministry of Finance	• Proposals on sources and use of the road fund • Proposals for amendment of Roads and Fuel Tolls CAP 220	• Increased financing of road maintenance • Sound proposals for amendment of Roads and Fuel Tolls CAP 220
President's Office, Regional Administration and Local Government	• Funds for road development and maintenance • Technical advice on road-related issues • Guidelines on utilisation of funds • Performance feedback	• Timely disbursement according to operational plan • Timely and sound technical advice • User-friendly guidelines on the utilisation of funds • Timely and sound feedback on development works funded by the Roads Fund
Tanzania Revenue Authority	• Revenue study reports • Revenue monitoring reports	• Clear, sound and credible reports • Good cooperation in joint tasks
Road Agencies (TANROADS & TARURA)	• Mechanism for the collection and reporting of overload, abnormal load permit fee and road reserve user charges • Funds for road maintenance • Technical advice on road-related issues • Guidelines on utilisation of funds • Performance feedback	• User-friendly mechanism for reporting of overload, abnormal load permit fees and road reserve user charges • Timely disbursement of funds as per the operational plan • Timely and sound advice • User-friendly guidelines on the utilisation of funds • Timely and sound feedback
Transport Operators and Road Users' Groups	• Information on Road Fund operations • Platform for consultation and participation in fixing road user charges and reviewing laws and regulations	• Timely and reliable information on road fund operations • Well-maintained roads • Business-friendly roads legislation • Affordable road user charges

Report by Those Charged with Governance & Financial Statements for the period ended 30 June 2025

Stakeholders	Their Interests / Concerns	Value we create
Contractors/consultants/suppliers	- Consultancy and non-consultancy work contracts - Supplies contracts - Payments for the services/goods/works	- Better management of funds - Adherence to public procurement procedures - Timely payments
Controller and Auditor General	- Financial statements within 90 days of the closure of the financial year - Facilitation of external auditing services - Response to audit queries	- Timely submission of quality financial statements - Adherence to national financial laws and regulations
EWURA	- Collaboration during joint tasks - Fuel (diesel, petrol, JK and JET A-I) study reports	- Effective participation in matters related to fuel importation, handling etc. - Good cooperation in joint tasks - Clear, sound and credible reports
Development Partners	- Proper Management of funds - Performance reports and statistics	- Effective and efficient Management of received funds - Reliable statistics on roads - Good governance - Quality and timely reports
General Public	Information on applicable road user charges, funds collection and disbursement	Timely, accurate and reliable information
Treasury Registrar	- Credible Plans and Budget - Good governance	- Performance Agreement calling for annual performance reports - Adherence to good governance principles
Contractors and Engineers Registration Boards	Support related to road maintenance activities	Collaboration on issues related to road maintenance activities
Non-State Actors	- RFB policies, Guidelines, Roles and mandates - Whistle-blowing handling mechanism.	- Timely, accurate, and reliable information - Feedback on road maintenance activities
Academia and Research Institutions	A platform for consultation and participation in road-related research and studies.	Funding for research activities related to road maintenance.
Employees	Employees want a friendly, safe and conducive working environment, defined career progression, better salary and benefits, motivation and recognition, and opportunities to contribute to society.	- Transforming into an inclusive society through employment equity and gender equality; - We focus on developing our employee through targeted training programs and skills upgrading to further their career and improve our services; - Rewarding employees for the value they add; - Motivating and energising our workforce; and

Report by Those Charged with Governance & Financial Statements for the period ended 30 June 2025

Stakeholders	Their Interests / Concerns	Value we create	Timely payments of employees' entitlements
			• Timely payments of employees' entitlements

7. OPERATING AND FINANCIAL REVIEW

(a) Analysis of Financial Performance

The Statement of Financial Performance describes the general financial activities and results of the operations of the Board by matching revenue and expenses during the year.

(i) Revenue Grants

This represents the amount amortized from local and foreign grants. During the reporting period, TZS 1,231,376,850,298 was recognized as revenue grant for Roads Fund. This comprises government Grant of 1,195,488,653,532 which include TZS.1,767,606,478 for PE, TZS.4,706,145,752 for OC and TZS.1,189,014,901,302 for Roads Agencies. TZS.35,888,196,766 is foreign Grant for Roads Projects where by the Board entered into agreements with Development Partners for road projects funded by the World Bank and the European Union. The revenue grant in the FY 2023/24 was TZS 1,115,450,338,356 which included Government grant of TZS.1,113,274,420,552 and other sources. The increase was due to more fuel consumption in the FY 2024/25.

(ii) Levies (Rental Income)

This represents revenue from the lease of office space in the Board buildings. TZS 404,723,541 was earned from Office space leased to tenants and respective service charges imposed during the FY 2024/25 against TZS 509,374,248 in the FY 2023/24. The decrease in rental income is due to a decrease in occupancy rate and additional office space by the Board.

(iii) Fees, Fines, Penalties and Forfeits

This represents charges imposed on Permit Abnormal Overload, Road Reserve user charges and others as presented in Notes No. 17, 19 and 31. During the FY 2024/25, the Board earned TZS 28,430,047,265 from the above sources against TZS 37,309,519,511 in the FY 2023/24. The decrease was due to the reduction of overloading cargoes.

(iv) Depreciation of Property, Plants and Equipment

Depreciation expense amounting to TZS 299,827,361 was charged on non- current assets of the Board during the FY 2024/25, while TZS 253,517,138 was charged in the FY 2023/24. The increase was due to acquired assets during the year.

(v) Maintenance Expenses

During the FY 2024/25, TZS 220,189,536 was incurred as maintenance expenses, as compared to TZS 526,187,438 incurred in the FY 2023/24. The decrease in maintenance was due to the completion of the rehabilitation project in the subsequent years.

Report by Those Charged with Governance & Financial Statements for the
period ended 30 June 2025

(vi) Other Expenses

An amount of TZS 6,659,689,067 was incurred during the FY 2024/25 to facilitate various expenditures grouped as other expenses, compared to TZS 4,516,811,772, which was incurred in the FY 2023/24. The increase was due to payment on finalisation of the Road Inventory and Condition survey financed by the World Bank.

(vii) Use of Goods and Services

An amount of TZS 5,291,445,427 was incurred during the FY 2024/25 to facilitate expenditure on supplies and consumable goods, compared to TZS 4,824,892,716, which was incurred in FY 2023/24. The increase was due to changes in prices and additional activities as planned during the year.

(viii) Wages, Salaries and Employee Benefits

During the FY 2024/25, the Board incurred TZS 5,841,490,292 for personal emoluments and other personal allowances as compared to TZS 4,766,652,129 incurred in the previous year. The expenditure comprises salaries, wages, allowances and other benefits. The increase is attributable to changes in the organisation's structure, which required the separation of roles, an increased number of staff, and related costs.

(ix) Grants and Transfers Payments

A total of TZS 619,596,306,816 was transferred to Road Agencies as Grants and Transfer TZS 282,759,295,612.31 was meant for the 2024/25 Budget, and TZ 336,837,011,203.38 was meant for the 2023/24 Budget). It also included special allocation and Development partners' support fund in the FY 2024/25 as compared to TZS 596,905,244,229 transferred in the FY 2023/24. The increase was due to the amount which was deferred in the previous financial year 2023/24.

(x) Other Transfers

During the year a total of TZS 40,000,000 was transferred to Treasury Registrar as Boards contribution to the Consolidated Fund from Own Board's Own sources as compared to the Previous year where the Board contributed TZS 20,000,000 only.

(b) Statement of Financial Position

The statement of financial position comprises assets on one hand and the financing of those assets on the other hand. The financing comprises liabilities, capital fund and accumulated surplus or deficit. The assets are in the form of cash and cash equivalents, receivables, inventory, intangible assets, plant, properties and equipment. The liabilities are payables and accruals, deposits payable and deferred income. Capital is represented by the taxpayer's fund and the development partners' support.

(i) Cash and Cash Equivalents

Cash and cash equivalents as at 30 June 2025, were TZS 277,366,058,493 compared to TZS 509,985,898,328 as at 30 June 2024. The decrease in cash and cash

equivalents was caused by the amount which was disbursed in respect of road agencies as at 30 June 2025.

(ii) Investment in Bond

The Board made an Investment in the Infrastructure Bond issued by CRDB whereby the Board injected TZS.1,500,000,000 to support the roads maintenance programmes of TARURA. The Investment is for five years and will be bearing interest bi-annually. This was the first time investment hence there is no comparative figure.

(iii) Receivable

Receivables as at 30 June 2025 were TZS 1,093,685,446,690 compared to TZS 277,560,110,016 as at 30 June 2024. The increase in receivables is mainly due to revenues collected by TRA but did not reach the Board in time.

(iv) Inventory

There was un consumed stationery and cartridges as of 30 June 2025 valuing TZS 23,013,333 as compared to the nil balance as of 30 June 2024. The Board has started keeping stock after being directed by the GAMIS and as per requirement of IPSAS 12.

(v) Loan Receivables

The Staff Receivables as of 30 June 2025 was TZS. 828,996,667 as compared to TZS. 571,020,273 as of 30 June 2024. The increase was due to increased number of Staff joined the Secretariat during the year who also benefited from Extended Loan issued by the Board.

(vi) Intangible Assets

This comprises various software which enable smooth operations of the Board. They included the Management Information System (MIS), Convene and others. The carrying amount of Intangible Assets as at 30 June 2025 was TZS 204,626,708 as compared to TZS 185,467,383 for the previous year. The increase in carrying amount was due to the acquisition of Disaster Recovery Testing Software.

(vii) Property, Plant and Equipment (PPE)

During the reporting period, the carrying value of PPE stood at TZS 9,277,441,528 as compared to TZS 8,999,953,485 for 2023/24. The increase is due to the purchase of equipment and furniture for new staff.

(viii) Deposits

As at 30 June, 2025, deposits stood at TZS 50,500,145, mainly representing the amount of retention for the defect liability. The comparable amount in the previous financial year was TZS 51,575,211. The decrease was caused by the release of retention as a result of the completion of a contract

(ix) Payable And Accruals

As at 30 June 2025, payable and accruals stood at TZS 432,058,451, representing Suppliers of goods and services, gratuity payable, rental security payable, miscellaneous and payable to other government entities, supplies of Goods and Services. The comparable amount in the previous financial year is TZS 110,047,204. The increase is due to the unsettled bills at the cutoff date.

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(x) Deferred Income

The balance in Deferred Income of TZS 196,925,221,963 is related to funds received from the Ministry of Work, PORALG and Development Partners during the financial year 2024/25 and 2023/24, payable upon release and fulfilment of project execution conditions. The previous financial year's balance stood at TZS 234,154,720,848. The decrease was caused by the amount released to road agencies, consultants and other beneficiaries.

(xi) Taxpayers Fund

Taxpayer's Fund amount of TZS 156,130,588 represents the Government start-up Fund injected when the Board was established. This includes Cash, Furniture, Equipment and other capital expenditures.

(xii) Analysis of Cash Flows

The statement of Cash Flow shows how the balance of cash and cash equivalents is generated. At the end of the reporting period, cash and cash equivalents were TZS 277,687,698,595 generated from operating, investing and financing activities as follows:

(xiii) Cash Flow from Operating Activities

During the financial year 2024/25, the Roads Fund Board received a total of TZS 406,897,927,174 from various revenue sources as compared to TZS 1,048,769,673,907 received in the financial year 2023/24. The amount comprised of appropriated sources, miscellaneous collections and funds from Development Partners.

Out of the collections, TZS 637,717,526,335 was spent for operating activities such as transfer payments to road agencies, Wages, Salaries and employee benefits, supplies and consumables goods, and routine maintenance and repair. For cashflow purposes, other amounts had been received in the previous year and were recognised in the respective year.

Net cash Outflows to operating activities stood at TZS 230,863,196,723 as compared to the Net cash Inflow of TZS 437,144,336,783 of the year 2023/24.

(i) Cashflow From Investing Activities

A total of TZS 1,707,490,854 was spent on the purchase of non-current assets and Investment in Bond, compared to TZS 480,662,947 spent in the financial year 2023/24. The decrease in expenditure is due to the lack of funds.

(ii) Budget Performance

Note 105 of the financial statements provides a description of budget information on how the Board has attained its budget, major deviations from budgeted activities and their main courses. Providing other budget-relevant information meant for primary users and other stakeholders.

(c) Future Plans of the Board

The Strategic Plan that covers FY 2021/22 to 2025/26 has five objectives which strive for excellence in road fund management for enhanced good public road networks. The objectives are as follows:

- (i) Funding adequacy for road maintenance is enhanced.
- (ii) Value for money on operations of Road Agencies enhanced;
- (iii) RFB capacity to undertake its mandate improved;
- (iv) HIV/ AIDS infections reduced, and non-communicable disease interventions improved; and
- (v) National Anti-Corruption Strategy enhanced, sustained and effectively implemented.

The Board strives to achieve its core objectives while observing Government directives on cross-cutting objectives related to fighting against the spread of HIV/AIDS and corruption.

The Board plans to continue with various studies on prospective new sources for enhanced road maintenance funding adequacy, and conduct various fund utilisation monitoring to enhance value for money in the projects of the road agencies. For the perfect achievement, staff capacity-building programs are in place.

7.1 Capital Structure

The Board's capital structure for the year ended 30 June 2025 consists of Taxpayer's Fund TZS.56,842,610 and Development Partner's Support of TZS.99,287,978 making a total of TZS.156,130,588 (30 June 2024: TZS 156,130,588) and accumulated surplus earnings of TZS 1,185,321,672,272(30 June 2024: TZS 562,829,975,635).

7.2 Treasury Policies and Objectives

Road Fund Board treasury policies involve mechanisms established by the Board, which delegates financial decisions to Management in a controlled manner. The control instruments in place include legislation (i.e. Public Finance Act Cap. 348), Government Circulars (Treasury Circulars and Accountant General Circulars), and Guidelines such as RFB Financial Regulations.

7.3 Liquidity of the Entity

During the financial year ended 30 June 2025, the Board managed its liquidity level to ensure there were sufficient funds to meet its liabilities when due without incurring unacceptable losses or risking damage to the Board's reputation. This was achieved through prudent liquidity management, which includes maintaining sufficient cash and cash equivalents and striving to ensure that receivables are settled within the grace period of 30 days.

8. RESOURCES

The Board's key strengths, which assist in the performance of its functions to achieve its objectives, are pegged on a well-composed Board of Directors, effective Management, competent human resources, deployed ICT systems and continued

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improvement of internal operating procedures (IoPs). These strengths continuously create value for the Board. In terms of resources, the Board has tangibles and intangibles, which include intellectual resources, human resources, social and relationship resources, natural resources, financial resources and other resources as explained hereunder: -

(a) Intellectual Resources

The Board's intellectual resources include ICT application systems that have automated and modernised operations, thus improving the provision of services.

(b) Human Resources

The Board has skilled, ethical, committed, motivated and competent employees dedicated to the provision of quality services that meet and exceed customers' expectations. Management adheres to the principles of good governance and promotes a good working environment and labour relations. In addition, the Board has continually invested in human resource development, focusing on training, staff wellness, staff recognition, competitive remuneration and career growth.

(c) Social and Relationship Resources

The Board maintains ethical and transparent relationships with its internal and external stakeholders by establishing processes which ensure stakeholders' views are timely collected and addressed.

(d) Natural Resources

Various initiatives have been taken by the Board to promote environmental sustainability through internal engagements, external partnerships, and commitments. The Board monitors adherence to good environmental protection practices when executing road works that are financed by the Fund.

(e) Financial Resources

The Board enhances its financial sufficiency by improving the management of its resources through prioritisation of initiatives, implementing initiatives within the available financial resources to generate adequate revenue for the timely implementation of planned activities.

9. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

The Board's risk analysis is based on the RFB risk management framework/guidelines and the RFB risk management policy. The principal risks and uncertainties with their impacts and mitigation are summarised in Table 1 below:

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S/N	Risk	Impacts	Mitigations
1.	Strategic Risks	- Deterioration of road condition and loss of past Government investment in the road sector. - Increased road accidents and loss of lives and properties. - Increased cost to the Government to restore road conditions, such as major rehabilitation and reconstruction. - Deterioration of the road network and loss of the road asset value. - Increased costs of production, limited access to social and economic service centres. - High transportation costs, vehicle operating costs and overall costs of doing business. - Reduced competitiveness of Tanzania's goods and services due to high transport costs. - Decline of Roads Fund capacity to finance road maintenance interventions. - Impaired social and economic activities and growth.	✓ Conduct studies on possible sources for broadening revenue base e.g. weight distance charges ✓ Conduct awareness seminars for policy makers and other stakeholders; ✓ Monitor enforcement of the implementation of the legal framework for vehicle overload control; ✓ Installation of CCTV management systems in weighbridge stations; ✓ Continue to scrutinise annual operational plans and budgets from Road Agencies; ✓ Conduct consultations with Development Partners to encourage them to finance road maintenance interventions; ✓ Facilitate and promote research on low-cost technologies and locally available materials in road maintenance interventions; ✓ Carry out regular reconciliation and close follow-up of unremitted amounts; ✓ Review and monitor implementation of guidelines for preparation of annual operational plans and budgets; ✓ Conduct regular monitoring of the collection of roads fund revenue; ✓ Prepare and submit funding proposals for Development Partners; ✓ Facilitate development and effective use of Roads Asset Management Systems for Road Agencies; ✓ Conduct a study on new sources of Roads Fund revenue and review of the current rates; ✓ Review and implement communication strategy with the view to educate the public about the importance of road maintenance; and ✓ Promote the use of framework contracts for routine road maintenance works.
2.	Compliance Risks	- Tarnished Board image and credibility; - Increased litigation, penalties and sanctions; - Embarrassment and negative impact on personal career and employment; - Endangering corporate image due to undetected critical operational, financial and technical non-compliances; and - Financial loss and operational inefficiencies.	✓ Recruiting additional accountants; ✓ Prepare and implement training and capacity building program on all compliance matters; ✓ Facilitate staff to attend relevant laws updates briefings prepared by regulatory bodies and authorities (TRA, PPRA, TR, ACGEN, PO-PSMGG; ✓ Prepare and monitor compliance register [Compliance tracker]; ✓ Conduct tax compliance health check; ✓ Conduct regular training on laws, regulations and Government directives to staff; ✓ Facilitate training on technical and professional-based audit techniques to staff, e.g. CISA, CIA, etc. ✓ Facilitate trainings on different issues such as procurement, IPSAs, and forensic audits; ✓ Facilitate staff to attain the required CPD hours issued by professional bodies, e.g. NBAA and The Institute of Internal Auditors (IIA); ✓ Finalise recruitment of internal audit staff; and

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S/N	Risk	Impacts	Mitigations
3.	Reputational Risks	- Wrong public image; reputational damage; - Institutional damage; - Impaired implementation of Board operations; and - May jeopardise the existence of the organisation.	✓ Outsource the technical and professional audit function. ✓ Recruiting a qualified Public Relations Officer ✓ Develop and follow (adhere) to media guidelines; ✓ Develop and implement (annual) advocacy (media engagement) plan; ✓ Review and implement communication strategy; ✓ Continued participation in different fairs and exhibitions; ✓ Participate in different sports and games; ✓ Continue engaging parliamentary committees and parliamentarians; and ✓ Operationalise Board social media platforms.
4.	Operational Risks	- Disruption of operations and untimely decision making; - Increased customers' complaints; - May influence unethical behaviour; - Tarnished image of the Board; - Stressful work environment; and - Non - or untimely achievement of the objectives (ineffective and inefficient operations).	✓ Conduct periodic disaster recovery plan testing; ✓ Perform information assurance and compliance audit; ✓ Create awareness on effective and safe use of ICT services; ✓ Prepare and implement a specialised ICT training program; ✓ Establish, communicate and enforce SLAs for ICT service providers; ✓ Conduct regular maintenance of ICT equipment; ✓ Develop and implement an incentive scheme; ✓ Prepare, communicate and implement annual staff training program; ✓ Facilitate participation of staff in different professional forums; ✓ Train staff on soft skills [emotional intelligence, tact and diplomacy, interpersonal intelligence, techno savvy, stress management, etc.]; ✓ Continue to enforce results and evidence-based performance appraisal system; ✓ Prepare and implement staff team-building programs; ✓ Make timely and effective communication on staff matters; and ✓ Develop and implement the results-based M&E system.

9. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES (CONTINUED)

Opportunities

The Board's risk assessment process identified opportunities that would be expected to enhance the strategic plan execution as summarised below:

- (i) Technological advancement and avenues for digitisation of processes and operations are opportunities for improving the Board's performance.
- (ii) Favourable legal setup and exclusive mandate on Road Fund services are another key opportunity.
- (iii) Existence of international and regional collaboration and agreements to promote Road Services in Urban and rural areas, and increased regional agreements and policies on the provision of services.

Assumptions on Risks, Uncertainties and Opportunities

The Road Fund Board is mindful of the following assumptions during assessments of the risks, uncertainties, and opportunities:

- (i) Macro- economic factors or conditions like Inflation, Interest rates, Gross Domestic Product, per capita income, economic growth rate, and terms of international trade exchange rate will continue to perform well and remain fairly stable;
- (ii) Political environment will remain stable and political stability will prevail during the implementation of the Board's functions;
- (iii) A stable and predictable regulatory environment, like Policies, Laws, and regulations, will exist during the implementation of Road Fund Board functions;
- (iv) Competent, skilled and motivated staff will be available during the Strategic Plan implementation period;

10. ENTITY'S OPERATING MODEL

The Board's Operating Model is the system of transforming inputs through its operating activities into outputs and outcomes that aims to fulfil the Board's strategic objectives and create value over the short, medium and long term. The Model is summarised in Table 2.

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10. ENTITY'S OPERATING MODEL (CONTINUED)

Table 2: The Board's Operating Model

INPUTS	(a) Financial capital	The sources of Roads Fund revenue consist of the following; (i) funds appropriated by the Parliament in accordance with the Roads Tolls and Fuel Act CAP 220; (ii) abnormal and overload load charges in accordance with the East African Community Vehicle Load Control Act, 2013; (iii) road reserve user charges; (iv) Grants from Development Partners; and (v) office rent.
	(b) Human capital	The Board employs its staff through public recruitment procedures and assures competent and skilled staff for the delivery of quality services.
	(c) The social and relationship capital	The Board promotes professionalism, and staff are well motivated through various incentives and a good working environment. The Board promotes participation of local communities around project areas in the implementation of road works that are financed through the Fund's resources. Therefore, women and youth participation in the implementation of the road works is one of the indicators that the Board monitors. The Board has established an ethical and transparent relationship with other Government Institutions, road users, Implementing Agencies and other stakeholders. The Board holds stakeholder meetings every three years to raise awareness and receive feedback from road users.
	(d) Intellectual Capital	The Road Fund Board has RFB MIS, VFM tool and Barbara App systems to ensure effective and efficient service delivery.
	(e) Other capital	These are Legislations which assist the Road Fund in discharging its functions judiciously and fairly. These include Public Finance Act CAP 348, Public Procurement CAP 410, Public Audit Act CAP 418, Budget Act CAP 439, Road and Fuel Tolls Act CAP 220 and Public Service Act CAP 298.
THE OUTCOME	The Board, through the above input, has realised the progressive improvement as most parts of the road network are passable throughout the year. The possibility allows communities to access social and economic services such as health, education, markets and employment opportunities.	

11. KEY PERFORMANCE INDICATORS

No.	Objectives	Key Performance Indicator (KPI)	Definition / Calculation	Purpose	Target Previous Year (2023/24)	Target Current Year (2024/25)	Target Future (2025/26)	Implementation status - Year End	Budget (TZS '000)	Actual (TZS '000)
A.	HIV/AIDS infections reduced, and communicable diseases (NCDs) interventions improved	Percentage of reported HIV/AIDS cases	It is calculated as $(x/y) * 100$, where x = number of staff who have declared their HIV/AIDS status and y = number of voluntarily tested staff	Measures staff responsiveness to HIV/AIDS workplace interventions.	85%	85%	95%	95%	44,400	19,484.4
		Level of satisfaction with NCD preventive services	It is calculated as $X/Y * 100$, where X = Number of satisfied staff and Y = Total number of staff interviewed	Measures the extent to which staff are satisfied with the provision of preventive measures.	80%	85%	90%	90%		
B	National Anti-Corruption Strategy enhanced, sustained and effectively implemented	Percentage change of reported unethical behaviour cases	It is calculated as $(x/y) * 100$ whereas x = number of staff reported with lack of integrity and y = total number of staff	It measures the level of staff integrity.	0%	0%	0%	0%	43,100	33,670
C	Funding adequacy for road maintenance has been enhanced	Road's maintenance financing capacity	It is Calculated as $X/Y * 100$ Where: X = Available fund Y = Annual maintenance needs	The indicator intends to measure the capacity of the Road Fund to meet	98%	41%	60%	39%	2,326,260	1,717,325

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D	Value-for-money of road networks and operations of Road Agencies enhanced	Percentage completion of the annual maintenance program	Calculated as $(X/Y) \times 100$ whereas X = achievement, Y = Planned	Measures the efficiency in terms of the implementation of road maintenance programs.	85%	90%	95%	90%	14,344.6	5,393.9
E	RFB Institutional Capacity to undertake its mandate improved	Level of Staff satisfaction (%)	This will be calculated by a $X/Y \times 100$, where X = Number of stakeholders who are satisfied and Y = Total Number of stakeholders interviewed	Measure the efficiency of RFB in providing services.	90%	90%	90%	85%	1,342,294.7	612,649.6
		Level of other stakeholders' satisfaction (%).	This will be calculated by a $X/Y \times 100$, where X = Number of stakeholders who are satisfied and Y = Total Number of stakeholders interviewed	Measure the efficiency of RFB in providing services.	95%	85%	90%	80%		

12. CORPORATE GOVERNANCE

12.1.1. Corporate Governance Statement

To safeguard the interests of both the Government and road users, the Board is governed by a well-established Board membership drawn from both the public and private sectors. It is entrusted with the oversight role on the affairs related to the Fund. The Board has a Secretariat that is responsible for the day-to-day operations.

12.1.2. Membership of Those Charged with Governance.

Membership and appointment of members of the Board is prescribed in the Road and Fuel Tolls Act, CAP 220. The Board is constituted by nine members, including four members from the public sector and five from the private sector.

Table No. 1: Board Members during the reporting period

S/N	Name	Gender	Position	Nationality	Qualifications	Age	Date of Appointment
1.	Eng. Mussa Bally Natty	M	Chairman	Tanzanian	Bachelor of Science in Mechanical Engineering, PEng (T), MBA (Finance)	63	25 November, 2024
2.	Ambassador Eng. Aisha S. Amour	F	Member	Tanzanian	Bachelor of Science in Civil Engineering,	57	13 January, 2022
3.	Dr. Natu Mwamba	F	Member	Tanzanian	Master of Arts (Economics) and PhD in Economics	64	07 January, 2023
4.	Mr. Adolf Ndunguru	M	Member	Tanzanian	Bachelor of Arts (Economics), Master of Arts (Economics)	61	01 March, 2023
5.	Eng. Alois M. Matei	M	Member	Tanzanian	Bachelor of Science in Civil Engineering, Master of Science in Highway Engineering	63	07 December, 2021
6.	Mr. Hussein A. Wandwi	M	Member	Tanzanian	Bachelor of Arts in Journalism	43	01 July, 2022
7.	Mr. Massana Mwishawa	M	Member	Tanzanian	BSc. in Wildlife Science and Conservation, Master's of Natural Resource Assessment and Management	56	27 June, 2024
8.	Mr. Octavian E. Mshiu	M	Vice Chairman	Tanzanian	Masters of Business Administration	50	Tenure ended
9.	Ms. Neema J. Mhondo	F	Member	Tanzanian	BA. Education, MBA (Strategy & Global Management), Post Graduate Diploma in Project Management	56	25 February, 2022
10.	Bruno Vicent Minja	M	Member	Tanzanian	ADA, CPA(T), MBA (International Business)	53	08 November, 2024
11.	Eng. Rashid S. Kalimbaga	M	Secretary	Tanzanian	Master's Science in Engineering, Full Technician Cert. in Civil Engineering	60	01 April, 2023

Source: Appointment Letters and Curriculum vitae

Board Operations and Control

The principle on appointment, composition, size and qualifications of Board members was observed by the appointing authorities; the President of the United Republic of Tanzania on appointment of the Board Chairman, and the Minister of Works on appointment of Board Members. These principles were observed as follows:

a) Diversity

The Board is composed of members of different qualifications with diverse strengths and knowledge of the roads and transport sector. Diversity is observed through differentiation in the age of Directors, their gender (three women and six men), professional qualifications and previous experiences. In addition, members were appointed from the public institution, namely the Ministries responsible for Works, Finance, and Local Government, while others were appointed from the public and private sectors.

b) Structure of the Board

To ensure effectiveness and value addition to the Roads Fund Board, the Board has a maximum of nine (9) members, including the Chairman. The Board has three (3) established Committees, including the Audit and Risk Committee, the Technical and Finance Committee, and the Human Resources and Disciplinary Committee. The Board and its Committees have Charters which provide terms of reference and guidance on undertaking their oversight role. Thus, the Board ensures that its committees are appropriately constituted with members who have the necessary skills and expertise to handle the responsibilities allocated to them.

c) Functions of the Board

Pursuant to the Road and Fuel Tolls Act CAP 220 (R.E. 2019), the functions of the Board in relation to the Fund are:

- (i) To advise the roads minister on new sources of roads and fuel tolls, adjustment of rates of existing roads and fuel tolls and on regulations for the collection of road and fuel tolls for the purpose of ensuring adequate and stable flow of funds to road operations;
- (ii) To apply the money deposited into the Fund for the purposes approved by the Parliament;
- (iii) To set out procedures for agents with respect to the collection of road and fuel tolls for the purpose of the Fund;
- (iv) To ensure full collection and transfer of collected roads and fuel tolls to the Fund's account;
- (v) To develop and review the formula for allocation and disbursement from the Fund to Roads Agencies periodically and advise the Roads Minister accordingly;
- (vi) To recommend to the roads minister an allocation of funds for Roads Agencies to undertake road management at a level that is suitable and affordable;
- (vii) To disburse funds from the Fund to Roads Agencies;
- (viii) To ensure that the operations of Roads Agencies and the Fund are technically and financially sound;

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- (ix) To monitor the use of the funds disbursed to Roads Agencies for the purpose of the objects of the Fund;
- (x) To appoint the Chief Executive Officer and other Senior Officers
- (xi) To appoint, subject to approval by the Controller and Auditor General, an ~~auditor or auditors to carry out the audit of the Fund, and~~
- (xii) To make any other recommendations to the Roads Minister as it considers necessary to enable the Board to achieve its objectives.

c) Enhancing Accountability of the Board to the Government and the General Public

To enhance accountability to the Government and the public at large, the RFB has ensured that:

- (i) It has distinguished the roles reserved for the Board and those delegated to the Management;
- (ii) The functions of the Board Chairman and the Chief Executive Officer are not exercised by the same individual;
- (iii) The Board Chairman is a non-executive director;
- (iv) The Chief Executive Officer is the Secretary to the Board, assisted by a qualified and competent officer of good standing from the Legal Services Unit trained for such service at the Institute of Directors in Tanzania (IoDT);
- (v) The strategies are sustainable;
- (vi) There is a clear identification of the Board's fiduciary duties; and
- (vii) It has established a Conflict-of-Interest Policy where, during every Board or Committee meeting, there is an agenda for the declaration of conflict of interest by participants.

d) The Board Independence

The Roads Fund Board assesses the independence of Board members on an annual basis to ensure that the Board always benefits from independent and objective judgment.

e) The Board Instruments

The Roads Fund Board has developed the Board's Code of Ethics and Conduct, in compliance with the Treasury Registrar's Board of Directors Code of Ethics and Conduct Guidelines, 2016. The Code has been cascaded down to all employees, as well as to the established Charters of the Board and its Committees, so as to guide the Board in undertaking its oversight role and planned activities. The Code and the Charters are reviewed where needs arise to cope with changes. Further, the Board develops a work plan and an evaluation toolkit annually to ensure effectiveness.

f) Governance on Audit

The Board continues to oversee the management implementation of the Controller and Auditor General's recommendations made during the statutory audits.

g) Rights of the Government and the General Public

The Board recognises, respects and protects the rights of the Government and the general public through:

- Availing information on the Roads Fund Board performance by submission of quarterly performance reports to relevant Government authorities and publishing annual reports together with audited financial statements;

Engaging the media on the dissemination of the Board's important information.

h) Stakeholder Relations

The Board has identified nine (9) categories of stakeholders: the Government, employees, regulated service providers, shipping business customers, seafarers, suppliers, business partners, society and regulators and policy-makers. Before making its decisions, the Board takes the interests of all stakeholders into account to ensure that engagement with stakeholders is deliberate and planned. Furthermore, the Board wishes to ensure that communication with stakeholders is always transparent and effective.

i) Ethics and Social Responsibility

The Board has identified the following four ethical values, which underpin good corporate governance, to guide all its deliberations, decisions and actions:

- (i) Responsibility: The Board assumes responsibility for the assets and actions of the Roads Fund Board and is willing to take corrective actions to keep the Board on a strategic path that is ethical and sustainable;
 - (ii) Accountability: The Board justifies its decisions and actions to the Government and other stakeholders;
 - (iii) Fairness: The Board ensures that it considers the legitimate interests and expectations of all stakeholders; and
 - (iv) Transparency: The Board discloses information in a manner that enables stakeholders to make an informed analysis of its performance and sustainability.
- (v) The Roads Fund Board has the Board's Code of Ethics and Conduct, to ensure that its business is conducted according to the highest ethical standards and in compliance with all the applicable laws and regulations governing the regulation of the roads sector. The provisions of the Code apply to the Board, Management and all staff of the Roads Fund Board.

j) Risk Management, Internal Control and Accountability

The Roads Fund Board is committed to ensuring the existence of a continuous process of risk management and internal controls, which ensures business continuity in service delivery, so as to achieve the strategic goals while managing the risks.

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Roads Fund Board has an overall policy framework on risk and internal control, which includes the institutional Risk Management Framework and Policy with its related processes, guidance and tools. The Roads Fund is committed to identifying and managing risks to its work plans and defining and implementing efficient and effective internal controls to strengthen its ability to meet objectives and deliver benefits and goals.

Effective risk management identifies the potential events which could affect the achievement of goals and develops action plans for addressing these risks - allowing informed decision-making, better prioritisation, and improved use of resources. The Roads Fund Board's approach to risk management does not aim to eliminate or avoid risk but to be aware of it, reducing risk to an acceptable level and balancing risks and opportunities when deciding on a course of action.

The established risk management process includes the implementation of regularly updated risk analysis and mitigation plans at all levels of the Roads Fund Board. The purpose is to create a tool for internal management of each unit or section so as to provide information to the Management on key risks identified and how these are managed. In addition to this bottom-up review of risks, the Roads Fund Board has integrated risk management in its corporate strategic planning and results-based management processes.

Every staff member of the Roads Fund Board has an important role in the risk management process and controls as part of their work. In particular, all Directors, Heads of Unit and Managers are accountable for identifying and managing risks and overseeing the definition and implementation of internal controls, policies and procedures within the area under their Board, including management of issues which arise.

k) Policy on Conflict of Interest

The Board has a Conflict-of-Interest Policy, in recognition that excessive activities, gratuities and access to information may lead to actual or potential conflicts of interest between the interests of the Roads Fund Board and those of its relevant persons. The Policy identifies the activities which may compete or conflict with the Board's interests and outlines the steps to manage conflicts of interest when they arise. The Board members declare not to have a conflict of interest in every Board Meeting.

l) Policy on ICT

The Board has developed various ICT policies, so as to enable the Roads Fund Board to realise its digitisation agenda. The policies provide in-depth coverage and guidance on ICT-related matters such as: business continuity plan (BCP)/disaster recovery plan (DRP), Service Level Agreement (SLA) management, project management, server room management, business partnerships, database procedures, incident management, invoice processing, quality assurance, security procedures and software design, development and testing.

m) Policy on Environmental Protection

Environmental protection is a social and economic necessity and an integral component of sustainable development. Similarly, sustainable development is the central concept of environmental policy. Sustainable development means achieving a quality of life that can be maintained for many generations because it is socially desirable, economically viable and environmentally sustainable.

The Roads Fund Board is committed to supporting the Government to ensure sustainable development is achieved through short, medium and long-term social and economic growth. This will be achieved by observing the following:

- Compliance with legislation on environmental protection, including the guidance of the National Environmental Management Council (NEMC) issued from time to time;
- Provide education and create awareness on road safety, security and environmental protection to the contractors, transport operators, road agencies and the public at large.

n) Meetings of Those Charged with Governance

The Board is required to meet at least four times a year. The Board meetings are held once quarterly, with additional meetings convened as and where necessary. During the financial year ended 30 June 2025, the Board held six (6) meetings, of which four (4) were ordinary, and two (2) were extraordinary. Approved Annual Plan and Budget (APB) and Annual Procurement Plan (APP) for Financial Year 2025/2026;

During the reporting period, the Board met and deliberated on the following matters related to Roads Fund activities:

- (i) CAG Audit Reports for RFB for the Period Ended 30 June 2024;
- (ii) Financial Audit Report for TANROADS, TARURA, MoW and PORALG for the Period Ended 30th June 2023;
- (iii) RFB Annual Report for the FY 2022/23;
- (iv) Evaluation of Roads Agencies' Performance for the FY 2022/23;
- (v) Quarterly Progress Report on the Implementation of RFB Strategic Plan for the FY 2024/25;
- (vi) Quarterly Progress Report on Implementation of RFB Annual Procurement Plan for the 2024/25;
- (vii) RFB Quarterly Internal Audit Reports for the FY 2024/25;
- (viii) RFB Staff matters;
- (ix) Quarterly reports on Risk Management for the FY 2024/25;
- (x) Road Agencies' Quarterly Progress reports on the implementation of road works financed by the Roads Fund for the FY 2024/25;
- (xi) Financing Road Maintenance through Capital Markets (Infrastructure Bond);
- (xii) Risk-Based Internal Audit Plan for the FY 2025/26;

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- (xiii) Monitoring Reports on road works in Arusha, Dare-es-salaam, Dodoma, Iringa, Mbeya and Coast Region;
- (xiv) Report on Roads Technical Preventive Monitoring and Verification Visits for Issues Raised by Technical Auditors;
- ~~(xv) Reports on Inspection of Road Works Implemented Using Special Budget Allocation (FY 2023/24 and 2024/25)~~
- (xvi) Special requests for miscellaneous funds;
- (xvii) Preparation of a proposal on sustainable financing and management of public roads in protected areas;
- (xviii) Budget reallocation for the FY 2024/25;
- (xix) Road Fund Board Budget for the FY 2025/26;
- (xx) TANROADS, TARURA, PORALG and MoW Operation Plan for the FY 2025/26;
- ~~(xxi) The Draft Final Report by Those Charged with Governance and Financial Statements for the Period Ended 30th June 2024;~~
- (xxii) Road Fund Board Annual Procurement Plan for the FY 2025/26.

Committees of Those Charged with Governance

(i) The Technical and Finance Committee

	Name	Position	Profession	No of Meetings Attended (Out of 6)
1	Mr. Hussein Wandwi	Chairman	Journalist	6
2	Mr. Massana Mwishawa	Member	Conservationist	5
3	Dr. Natu Mwamba	Member	Economist	3
4	Eng. Alois M. Matei	Member	Civil Engineer	5
5	Mr. Adolf Ndunguru	Member	Economist	4
6	Eng. Rashid S. Kalimbaga	Secretary	Civil Engineer	6

(ii) Risk Management Committee (ARMC)

S/N	Name	Position	Profession	No. of Meetings Attended (Out Of 5)
1	CPA. Vicent B. Minja	Chairman	Accountant	5
2	Ms. Neema J Mhondo	Member	Teacher	4
3	Mr. Adolf Ndunguru	Member	Economist	5
4	Ambassador Eng. Aisha S. Amour	Member	Civil Engineer	3
5	Eng Rashid S. Kalimbaga	Secretary	Civil Engineer	5

(iii) Human Resources, Employment and Discipline Committee (HREDC)

	Name	Position	Profession	No. of Meetings Attended (Out of 4)
1	Ms. Neema J Mhondo	Chairman	Teacher	4
2	Mr. Hussein A. Wandwi	Member	Journalist	4
3	Massana Mwishawa	Member	Conservationist	4
4	Dr. Natu Mwamba	Member	Economist	3
6	Eng. Alois M. Matei	Member	Civil Engineering	3
7	Eng Rashid S. Kalimbaga	Secretary	Civil Engineering	4

o) Board, Management and Employees' Relationship

According to the Roads Tolls and Fuel Act CAP 220, the day-to-day execution of activities of the Board is vested in the Chief Executive Officer, assisted by the seven Heads of Units. The Units are Internal Audit Unit, Procurement Unit, Legal Unit, Finance and Accounts Unit, Planning and Resource Mobilisation Unit, Technical Services Unit, and ICT Unit.

Table 5: The Management Team

S/N	Full names	Age (years)	Qualification	Title
1.	Eng. Rashid S. Kalimbaga	60	BSc (Eng), PEng(T), Msc Engineering	Ag. Chief Executive Officer
2.	CPA. Hosea E. Kashimba	55	MBA, ADCA, CPA (T)	Director of Finance and Accounts
3.	Mr. Godlove Stephen	53	M.A (Economics)	Director of Planning and Resource Mobilisation
4.	Mr. Emmanuel Mwakajinga	47	MBA, BSc.ESC	Head of ICT Unit
5.	Ms. Zakia Lwamala	54	MBA, PGD (Legal Practice), LLB, Diploma (Education)	Ag. Head of Legal Unit
6.	Mr. Aureus Mapunda	56	MSc, ADV. Dip	Head of Human Resources and Admin.
7.	Mr. Abdalla Mtey	42	MBA-CM, BA-PSM, CPSTB	Head of Procurement Unit
8.	Eng. Jacob D. Mukasa	47	Msc, Peng (Geotechnics) BSc (Civil Eng.)	Ag. Director of Technical Operations
9.	CPA. Hamis Majala	53	MBA, CPA	Head of Internal Audit Unit

p) Board, Management and Employees' Relationship (Continued)

The relationship between the Board, Management and employees is governed by the Roads and Fuel Tolls Act, CAP 220; RFB Staff and Financial Regulations in relation to Labour Laws, Government Circulars and Standing Orders. During the period under review, there was no reported case of conflicting interest among the Board members, the Management team and staff in general.

During the year under review, two staff meetings were conducted to discuss matters of relevant interest. There were neither unresolved complaints received by the Management from the employees nor unattended issues presented by the Management to the Board. A good relationship continues to exist as the Board gives equal access to employment opportunities and ensures that the best available person is appointed to any given position, free from discrimination.

For the purpose of strengthening the relationship between employees and management, the Workers Council is in place. The Annual Council for the year under review was held in Morogoro on 25 April 2025, where all responsible officials attended. The workers' representatives met and resolved issues among themselves. This forum enabled discussion of the budget, Incentive Scheme and other

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organisational plans, including strategies of the Board, for the benefit of both parties.

13. ENVIRONMENTAL, GOVERNANCE AND SOCIAL ISSUES (ESG)

The RFB is committed to embedding Environmental, Social, and Governance (ESG) principles across its governance, operational, and strategic frameworks. As a statutory body responsible for managing and disbursing funds for the maintenance and development of Tanzania's public road network, RFB integrates sustainability considerations into funding decisions, institutional operations, and stakeholder engagement.

To support the development of a safe, inclusive, and climate-resilient road transport system, RFB aligns its strategic initiatives with national development priorities, the Sustainable Development Goals (SDGs), and global sustainability reporting standards.

~~These include IFRS S1 (General Requirements for Sustainability-related Financial Disclosures) and IFRS S2 (Climate-related Disclosures).~~

RFB is progressively enhancing its public reporting by incorporating structured sustainability disclosures that promote transparency, strengthen accountability, and inform decision-making. These disclosures provide insight into the Board's actions to reduce environmental impacts, uphold social equity, and maintain robust governance and risk management practices across the fund's operations.

Through this approach, RFB aims to drive long-term public value creation while supporting Tanzania's broader goals of sustainable infrastructure development, climate adaptation, and inclusive economic growth.

a) Governance

RFB's sustainability governance is anchored in the principles of transparency, accountability, and responsible management of public resources. ESG responsibilities are embedded within the governance frameworks outlined in the Report by Those Charged with Governance (Note 12 - Governance).

The Board of Directors, Board Committees, and Management are collectively responsible for integrating sustainability considerations into the planning, financing, and oversight of road infrastructure. This includes identifying ESG risks and opportunities, aligning with climate-related policies, and embedding sustainability into funding allocation and stakeholder engagement processes.

Proactive engagement with key stakeholders such as the Ministry of Finance, the Ministry of Works and Transport, regional authorities, development partners, and civil society is a core aspect of RFB's governance approach. These engagements promote transparency, policy coherence, and alignment with national sustainability priorities.

To further strengthen its governance, RFB has adopted mechanisms for identifying and managing ESG-related risks, including climate vulnerability, social inclusion, and

governance integrity. Oversight structures ensure clearly defined controls, reporting lines, and accountability measures for the sustainable utilisation of public funds.

b) Strategy

RFB's sustainability strategy is designed to align the institution's road infrastructure financing and fund management practices with ESG principles. The strategy prioritises long-term value creation by ensuring that disbursement decisions contribute to national development goals, climate resilience, and social inclusion.

Key strategic objectives include supporting environmentally sustainable road infrastructure, advancing social equity through improved access to rural and underserved communities, and enhancing institutional efficiency through digital transformation and green procurement practices.

The strategy also emphasises the systematic integration of climate-related risks into medium- and long-term planning, guided by international disclosure frameworks including IFRS S1 and S2. By embedding ESG into its core operations, RFB enhances transparency, accountability, and its role in enabling sustainable mobility and infrastructure development.

c) Risk Management

RFB integrates sustainability risks into its broader enterprise risk management (ERM) framework to ensure operational resilience, infrastructure durability, and responsible stewardship of public resources. This includes identifying and mitigating ESG-related risks, particularly those arising from climate change, governance integrity, and social inclusion.

Material risks include infrastructure damage from extreme weather events, policy shifts affecting funding criteria, health and safety concerns in road maintenance, and inefficient fund utilisation. The long-term implications of climate change, such as increased lifecycle costs and corridor vulnerability, are also being assessed.

The Board of Directors and the Audit and Risk Committee oversee ESG risk governance. Key actions include developing climate-resilient funding guidelines, integrating ESG into project appraisals and procurement, and engaging stakeholders to prioritise adaptive strategies. Scenario planning is also being adopted to strengthen preparedness and inform funding decisions.

d) Metrics and Targets

To ensure accountability and measurable progress, RFB has established Key Performance Indicators (KPIs) covering the environmental, social, and governance dimensions of its operations. These indicators enable evidence-based planning and support transparent reporting on sustainability outcomes.

Key metrics include the share of road funds allocated to climate-resilient projects, efficiency in fund utilisation, stakeholder engagement frequency, and institutional transparency benchmarks. These KPIs are aligned with national frameworks such as

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Tanzania's Development Vision 2050, the SDGs, and international standards, including IFRS S1 and S2.

Performance data is monitored and reported annually through the Report by Those Charged with Governance. Where relevant, metrics are mapped to RFB's strategic objectives to ensure internal alignment and coherent communication of results to the public and stakeholders.

e) Alignment with SDGs

Aligning the sustainability practices of RFB to the 17 SDGs in the context of Tanzania requires a strategic approach. Below is an alignment tailored to Tanzania's priorities and challenges:

SDGs		Sustainability Practices of RFB	Metrics and Targets (KPIs)	Achievement / Comments
	SDG 1: No Poverty	Improving road access to rural and underserved communities to support inclusive economic participation and poverty alleviation.	- Percentage of road funds allocated to rural access roads; - Number of communities connected annually.	Funding prioritisation for rural road included in annual disbursement plan; increased rural connectivity observed.
	SDG 3: Good Health and Well-being	Ensuring road safety features and promoting safe access to health facilities through improved infrastructure.	- Kilometres of road upgraded with safety signage and pedestrian walkways; - Number of health centres connected by all-weather roads.	Enhanced road safety is included in new project guidelines; road upgrades improved access to health services.
	SDG 4: Quality Education	Facilitating access to schools and learning institutions through road network improvements.	- Number of schools accessible year-round; - Road maintenance around educational institutions.	School access roads identified as priority under social impact scoring criteria.
	SDG 5: Gender Equality	Promoting gender-inclusive stakeholder consultations and employment opportunities in road projects.	- Percentage of women involved in stakeholder engagement; - Gender-sensitive indicators in project planning.	Gender mainstreaming policy developed; consultations now disaggregated by gender.
	SDG 6: Clean Water and Sanitation	Preventing water pollution through proper road drainage and erosion control systems.	- Number of projects with integrated drainage systems; - Erosion control audits conducted.	Drainage design is now mandatory for major road projects; erosion risk assessments conducted.
	SDG 8: Decent Work and Economic Growth	Creating local employment opportunities and supporting economic activities through road accessibility.	- Number of jobs created through road projects; - Travel time reduction between key economic centres.	Road maintenance programs prioritized local labour hiring; improved market access reported.

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SDGs	Sustainability Practices of RFB	Metrics and Targets (KPIs)	Achievement / Comments
 SDG 9: Industry, Innovation and Infrastructure	Investing in resilient and inclusive road infrastructure to support trade and innovation.	- Total kilometres of roads financed - Share of budget allocated to infrastructure resilience.	Road fund disbursement supports industrial corridors; resilient design standards adopted.
 SDG 11: Sustainable Cities and Communities	Improving urban mobility through integration of transport planning and funding.	- Urban road network coverage; - Congestion reduction initiatives supported.	Urban transport studies initiated in cities; funding directed to decongestion projects.
 SDG 13: Climate Action	Integrating climate risk assessments in road planning and adopting resilient standards.	- Number of projects with climate screening; - Share of climate-resilient road designs implemented.	Climate scenario modelling piloted in high-risk regions; adaptation measures mainstreamed.
 SDG 16: Peace, Justice, Strong Institutions	Ensuring governance transparency and stakeholder participation in fund oversight and decision-making.	- Publication of fund disbursement reports; - Number of public engagement sessions held.	Quarterly disclosures institutionalised; participatory budgeting rolled out in select regions.
 SDG 17: Partnerships for the Goals	Collaborating with development partners and government agencies on sustainable transport initiatives.	- Number of joint initiatives with partners; - Funding leveraged through partnerships.	Partnerships established with international donors and local governments to scale infrastructure impact.

14. ENVIRONMENTAL, GOVERNANCE AND SOCIAL ISSUES (ESG) (CONTINUED)

f) Alignment with SDGs

This alignment ensures that the RFB contributes meaningfully to the achievement of Tanzania's SDGs by addressing critical infrastructure challenges such as equitable road access, climate-resilient transport systems, and transparent fund governance. Through strategic oversight of road fund management, implementation of robust risk and accountability frameworks, and efficient utilisation of public resources, RFB enhances infrastructure service delivery, promotes inclusive mobility, and supports socially and environmentally sustainable economic growth - thereby advancing Tanzania's broader national development and sustainability agenda.

Beginning July 2025, RFB will commence implementation of IFRS S1 and IFRS S2, including comprehensive greenhouse gas (GHG) emissions reporting, covering Scope 1, Scope 2, and all 15 categories of Scope 3, as outlined in the NBAA Circular on Sustainability Disclosures. This initiative represents a significant milestone in aligning RFB's infrastructure financing operations with national climate commitments and international sustainability reporting standards, including IFRS S2 and the Greenhouse Gas Protocol.

15. ENVIRONMENTAL, GOVERNANCE AND SOCIAL ISSUES (ESG) (CONTINUED)

g) Emissions Disclosure

Scope	Key Sources	Metrics and Targets (KPIs)	Mitigation Strategies	Disclosure Statement
Scope 1	RFB office fleet fuel combustion (e.g., petrol/diesel in vehicles) and generators	- Litres of fuel consumed - Tonnes CO₂e/year % Reduction in vehicle emissions by 2030	- Transition to hybrid/electric vehicles - Vehicle use optimisation policies - Use of SGR as much as possible - Use of Public/ combined transport in most of the Board events	In FY2024/25, RFB's Scope 1 emissions amounted to 52.6 tonnes CO₂e, primarily from fuel used in the official fleet. RFB aims to reduce these emissions by 30% by 2030 through the adoption of electric vehicles.
Scope 2	Electricity consumed in RFB offices (grid power)	- kWh consumed - Tonnes CO₂e % Renewable electricity used	- Energy efficiency upgrades - Solar panel installation - Green building design for future offices	In FY2024/25, RFB reported Scope 2 emissions of 38.4 tonnes CO₂e, based on 92,000 kWh grid electricity usage. RFB targets 100% renewable energy sourcing by 2032.
Scope 3 Category 1: Purchased Goods and Services	Procurement of IT equipment, stationery, and consultancy	- Emissions per supplier category - Tonnes CO₂e % spend on sustainable vendors	- Green procurement policy - Preferred vendor screening for ESG	RFB's procurement-related emissions were estimated at 22.1 tonnes CO₂e in FY2024/25. A sustainable procurement framework is under development.
Scope 3 Category 2: Capital Goods	Office furniture, equipment	- Tonnes CO₂e % of purchases with lifecycle assessments	Specification of low-emission products	Capital goods contributed 11.5 tonnes CO₂e. RFB is integrating emission criteria into capital goods specifications.
Scope 3 Category 3: Fuel- and Energy-Related Activities	Upstream emissions from grid power and fuel	- Tonnes CO₂e - Emissions per kWh or litre	Renewable energy sourcing	Associated upstream energy-related emissions totalled 8.9 tonnes CO₂e.

Scope	Key Sources	Metrics and Targets (KPIs)	Mitigation Strategies	Disclosure Statement
Scope 3 Category 4: Upstream Transportation and Distribution	Logistics for purchased items	- Tonnes CO₂e % of local sourcing	Local sourcing to reduce transport distance	Emissions from upstream logistics are estimated at 5.3 tonnes CO₂e. RFB prioritises local vendors where possible.
Scope 3 Category 5: Waste Generated in Operations	Office waste (paper, plastics, food waste)	- Tonnes of waste - Recycling rates - Tonnes CO₂e	- Office recycling program - Digital documentation	Waste disposal generated 4.8 tonnes CO₂e. A recycling program is being piloted in Dar es Salaam.
Scope 3 Category 6: Business Travel	Domestic and international travel	- Flights per year - Tonnes CO₂e - Average emissions per trip	- Virtual meetings - Economy class travel policy	RFB staff travel resulted in 27.3 tonnes CO₂e. The Board targets a 50% reduction in travel emissions by 2028.
Scope 3 Category 7: Employee Commuting	Daily staff travel to the office	- Average distance - Commuting modes - Tonnes CO₂e	- Carpooling - Flexible/remote work policies	Employee commuting contributed 14.2 tonnes CO₂e. Flexible work options are being explored to reduce emissions.
Scope 3 Category 8: Upstream Leased Assets	Leased printers and equipment	Tonnes CO₂e	Preference for energy-efficient assets	Emissions from leased equipment are estimated at 1.2 tonnes CO₂e. RFB is assessing asset energy ratings.
Scope 3 Category 9: Downstream Transportation and Distribution	Distribution of printed reports and publications	- Tonnes CO₂e % of digital distribution	- Digital publications - Local print houses	Printed document logistics contributed 0.9 tonnes CO₂e. RFB is shifting toward digital distribution.
Scope 3 Category 10: Processing of Sold Products	Not Applicable to RFB	Not Applicable.	Not Applicable.	This category is not applicable as RFB does not produce or sell physical products.
Scope 3 Category 11: Use of Sold Products	Not Applicable to RFB	Not Applicable.	Not Applicable.	This category is not applicable as RFB does not sell products for downstream use.
Scope 3 Category 12: End-of-Life Treatment of Sold Products	Not Applicable to RFB	Not Applicable.	Not Applicable.	This category is not applicable to RFB's operational model.

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Scope	Key Sources	Metrics and Targets (KPIs)	Mitigation Strategies	Disclosure Statement
Scope 3 Category 13: Downstream Leased Assets	Not Applicable	Not Applicable.	Not Applicable.	RFB does not lease assets downstream to third parties.
Scope 3 Category 14: Franchises	Not Applicable	Not Applicable.	Not Applicable.	RFB does not operate under a franchise model.
Scope 3 Category 15: Investments	Emissions from funded road projects	- Tonnes CO₂e per funded project - Carbon intensity per TZS disbursed - Emission reduction per intervention	- Require EIAs with GHG disclosures - Fund low-emission road technologies	RFB is developing a methodology to estimate emissions from projects it funds. Baseline assessment and monitoring will be integrated into funding criteria by 2026.

Through this implementation, RFB aims to promote environmental stewardship within the road infrastructure financing ecosystem, enhance institutional efficiency, and contribute to Tanzania's broader sustainability and climate resilience agenda.

16. EMPLOYEE'S WELFARE

(a) Management and Employees' Relationship

A healthy relationship existed during the financial year between Management and employees who were represented by the Workers Union (TUGHE). There was a harmonious relationship demonstrated during the Workers Council meetings where Management transacted with TUGHE leaders and employees' representatives. Generally, there were no unresolved complaints received from the employees during the year.

(b) Working Environment

The Board ensured that employees are provided with a favourable working environment, such as providing them with the necessary tools for the smooth running of their daily operations and office space. This encompasses individual commitment towards innovative thinking and professional expertise.

(c) Opportunities and Fairness

Management ensured equal opportunities and fairness for all employees, irrespective of ethnicity, race, gender, disability or religion.

(d) Post-employment Benefits

The Board pay contributions to the Public Service Social Security Pension Fund (PSSSF) in respect of its employees on a mandatory basis, which qualifies as a defined contribution plan.

The Board contributes 15% of the basic salary of each employee to the Fund on behalf of all permanent employees, and employee contributes 5% of their basic salary. The total contribution made to PSSSF during the year was TZS 389,490,400 (30 June 2024: TZS 234,105,000).

(e) Medical Services

The Board operates an insured (health benefit) plan for employees, their spouses and up to a maximum of four dependents. Contribution is paid to the National Health Insurance Fund (NHIF) upon successful registration of the employee to the Fund.

The total contributions made by the Board to NHIF during the year were TZS 118,476,360 (30 June 2024: TZS 50,410,500), being 3% of the employees' basic salary, whereby the contributions are shared equally, the Board 3% and the employees 3%.

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(f) Training Facilities and Staff Development

The Board nurtured its basic human resource base by filling in vacant positions at different levels, and staff attended various training programs, meetings, workshops and seminars. These initiatives were carried out to equip staff with the necessary skills and knowledge to enhance the attainment of the Board's objectives. Significant improvement was made to have an operational web-based management information system for internal use and to be linked with Road Agencies for better monitoring and evaluation.

To improve employees' technical skills and hence effectiveness, the Board spent TZS 468,668,010 for a training program for FY 2024/2025 (2023/2024: TZS 309,500,000). The program was developed to ensure employees are adequately trained at all levels. All employees are accorded some form of training each year to upgrade skills and enhance development.

(g) Staff Loans and Advances

This is available to all employees depending on the merit of each case, as assessed by the Management, as well as the liquidity position of the Fund. However, employees are also encouraged to obtain loans or advances from commercial banks to meet their financial needs.

(h) Gender Policy

The Board has an equal opportunity employment policy as far as gender issues are concerned. Every effort is made to ensure that the Board's employment policy maintains gender balance, subject to technical and experience considerations.

The number of employees of the Board during the year was 33 staff, comprising 21 males and 12 females. The Board is continuously improving the gender equality as mentioned earlier as the female were less than 10 in the previous financial year.

17. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

Table 3: Risk Framework and Mitigation

S/N	Risk	Impacts	Mitigations
1.	Strategic Risks	• Deterioration of road condition and loss of past Government investment in the road sector. • Increased road accidents and loss of lives and properties. • Increased cost to the Government to restore road conditions, such as major rehabilitation and reconstruction. • Deterioration of the road network and loss of the road asset value. • Increased costs of production, limited access to social and economic service centres. • High transportation costs, vehicle operating costs and overall costs of doing business. • Reduced competitiveness of Tanzania's goods and services due to high transport costs. • Decline of Roads Fund capacity to finance road maintenance interventions.	✓ Conduct studies on possible sources for broadening revenue base e.g. weight distance charges ✓ Conduct awareness seminars for key stakeholders; ✓ Quarterly monitoring of the implementation of vehicle overload controls; ✓ Finance installation of CCTV management systems in weighbridge stations; ✓ Establish and implement a schedule for review and scrutiny of the annual operational plan and budget; ✓ Prepare a proposal to raise funds from the capital market through infrastructure bonds for financing road maintenance. ✓ Conduct consultations with Development Partners to encourage them to finance road maintenance interventions; ✓ Facilitate financing of research on low-cost technologies and locally available materials for road maintenance interventions; ✓ Conduct quarterly reconciliation for Roads Fund revenue collection and disbursements; ✓ Conduct regular monitoring of the collection of roads fund revenue; ✓ Prepare and submit funding proposals for Development Partners; ✓ Develop and implement Tanzania roads database Management Systems; ✓ Conduct a study on new sources of Roads Fund revenue and review the current rates; ✓ Prepare and implement a strategic road stakeholders' engagement plan; and ✓ Conduct a study on the best contracting approach for the timely implementation of routine road maintenance works.

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S/N	Risk	Impacts	Mitigations
2.	Compliance Risks	• Impaired economic growth, social and activities and • Tarnished Board image and credibility; • Increased litigation, penalties and sanctions; and • Embarrassment and negative impact on personal career and employment; • Endangering corporate image due to undetected critical operational, financial and technical non-compliances; and • Financial loss and operational inefficiencies.	✓ Recruiting additional accountants; ✓ Prepare and implement training and capacity building program on all compliance matters; ✓ Facilitate staff to attend relevant laws updates briefings prepared by regulatory bodies and authorities (TRA, PPRA, TR, AGEN, PO-PSMGG; ✓ Prepare and monitor compliance register [Compliance tracker]; ✓ Conduct regular training on laws, regulations and Government directives to staff; ✓ Facilitate training on technical and professional-based audit techniques to staff, e.g., CISA, CIA, etc. ✓ Facilitate trainings on different issues such as procurement, IPSASs, and forensic audits; ✓ Facilitate staff to attain the required CPD hours issued by professional bodies, e.g. NBAA and The Institute of Internal Auditors (IIA); and ✓ Outsource the technical and professional audit function.
3.	Reputational Risks	• Wrong public image; • Institutional reputational damage; • Impaired implementation of Board operations; and • May jeopardise the existence of the organisation.	✓ Develop and follow (adhere) to media guidelines; ✓ Develop and implement (annual) advocacy (media engagement) plan; ✓ Conduct quarterly Media Response Team Meeting; ✓ Continued participation in different fairs and exhibitions; ✓ Participate in different sports and games; and ✓ Continue engaging parliamentary committees and parliamentarians.
4.	Operational Risks	• Disruption of operations and untimely decision making; • Increased customers' complaints; • May influence unethical behaviour; • Tarnished image of the Board; • Stressful work environment; and	✓ Conduct periodic disaster recovery plan testing; ✓ Perform information assurance and compliance audit; ✓ Conduct awareness program on ICT policy and procedures; ✓ Prepare and implement a specialised ICT training program; ✓ Prepare quarterly ICT service providers' performance report; ✓ Conduct quarterly maintenance of ICT equipment; ✓ Develop and implement an incentive scheme; ✓ Prepare, communicate and implement annual staff training program; ✓ Facilitate participation of staff in different professional forums; ✓ Provide training to staff and management on soft skills [Emotional Intelligence, Tack and Diplomacy, Interpersonal Intelligence, techno savvy, stress management, etc.];

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S/N	Risk	Impacts	Mitigations
		Non - or untimely achievement of the objectives (ineffective and inefficient operations).	✓ Continue to enforce results and evidence-based performance appraisal system; ✓ Prepare and implement staff team-building programs; and ✓ Develop and implement the results-based M&E system.

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18. RELATED PARTY TRANSACTIONS

Related party transactions are dealt with at arm's length in the normal course of business and on terms and conditions similar to those applicable to other stakeholders. Related party transactions are disbursements made to the parent ministry and remuneration of Board Members and key management personnel. During the year ending 30 June 2025, related party transactions were as shown below:

Table 4: Related Party Transactions (TZS)

S/N	Description	30.06.2025	30.06.2024	Remarks
1	Board-related expenses (travel and training)	205,210,000.00	308,161,522.00	The Board visits some places as part of monitoring and attends training.
2	Board Members' fees	40,800,000.00	43,125,000.00	The decrease was due to the unfilled position of one Board Member.
3	Remuneration to Nine Management Personnel	1,450,200,000.00	795,503,600.00	The increase was due to a change in organisational structure and an increase in the number of Management Staff (from 6 members to 9 Members)
4	Transfers to the Ministry of Works	37,887,734,753.00	44,392,307,567.29	There is a decrease of TZS.6.5bn, which has been caused by the non-transfer of funds to the Ministry of Works
Total		39,583,944,783.263	45,539,097,719.29	

19. POLITICAL AND CHARITABLE DONATIONS

Political Donations

The Board did not make any political donations during the year ended 30 June 2025.

Charitable Donations

Donations were made as part of corporate social responsibility to institutions and charitable organisations to acknowledge the Board's responsibility to community social needs. During the financial year ended 30 June 2025, the Board spent TZS 78,500,000 (30 June 2024: TZS 89,350,000) to support a number of social and economic development initiatives implemented throughout the country.

20. DISABLED PERSONS AND GENDER BALANCE

Disabled Persons

The Board is an equal opportunity employer, and as a matter of policy, recruitment processes are transparent and competitive, whereas applications for employment by persons with disabilities are highly considered. In the event of a member of staff becoming disabled, every effort is made to ensure that his/her employment with the Board continues and appropriate training is arranged. It is the policy of the Board that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees. During the reporting period, there were no incidences of accommodating persons with special needs.

During the financial year, the Board had no people with disabilities.

21. MAJOR PROCUREMENT CONTRACTS

The Board capital and development expenditure for the FY 2024/25 is made up of property, plant and equipment.

Table 10(a): Budget Vs Actual Capital and Development Expenditure for the FY 2024/25 (TZS)

Item	Budget	Actual	Variance	% Variance
Acquisition of Property, Plant and Equipment	954,500,000	618,976,961.00	335,523,039	35.15
Acquisition of intangible assets	55,000,000	41,661,557	13,338,443	24.3
Total	1,009,500,000	660,638,518	348,861,482	34.6

As indicated in Table 10(a), there was an under expenditure of TZS 348,861,482 on capital expenditure funds, equivalent to 34.6% of the budgeted amount. The expenditure reported includes the procurement of POS for the collection of road reserve charges, which was not procured in the FY 2023/24 financial year.

Report by Those Charged with Governance & Financial Statements for the
period ended 30 June 2025

22. PREJUDICIAL ISSUES

No prejudicial issues were noted or reported during the financial year 2024/2025.

23. STATEMENT OF COMPLIANCE

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

24. APPOINTMENT OF AUDITOR

Article 143 of the Constitution of the United Republic of Tanzania of 1977 and section 10 of the Public Audit Act, Cap 418 (R.E. 2021) mandate the Controller and Auditor General as the statutory auditor of all public sector entities, including the Roads Fund Board. In addition, Section 4 (6) of the Road and Fuel Tolls Act, Cap 220, earmarked the CAG as the statutory auditor of the Board's financial statements. The address of the Auditor for the financial year is as follows:

Controller and Auditor General,
National Audit Office,
Ukaguzi House,
Mahakama Road,
P.O. Box 950,
41101 Tambukareli,
Dodoma, Tanzania.
Tel: 255 (026) 2161200-9
E-mail: ocag@nao.go.tz
Website: www.nao.go.tz

25. RESPONSIBILITY OF THE AUDITOR

The Controller and Auditor General (CAG) has a statutory responsibility to report to the stakeholders as to whether, in his opinion, the financial statements of the Board present fairly the financial position, financial performance and cash flows for the year ended in accordance with the International Public Sector Accounting Standards (IPSASs), the Tanzania Financial Reporting Standard (TFRS 1) and in the manner required by the Roads Fund Board Act, Cap. 220 and the Public Finance Act, Cap. 348.

26. RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

Those Charged with Governance accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the financial statements, pursuant to section 5(4) of the Roads and Fuels Tolls Act, Cap. 220. Furthermore, Those Charged with Governance accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Public Sector Accounting Standards (IPSAS), the Public Finance Act, Cap. 348, NBAA's Technical Pronouncements and the requirements of the Road and Fuels Tolls, Cap 220.

Therefore, Those Charged with Governance are of the opinion that the financial statements of the Board give a true and fair view of the Board's state of the financial affairs and of its operating results for the year ended 30 June 2025.

27. SOLVENCY

Those charged with governance of the Fund confirm that applicable Standards have been properly applied and that the financial statements have been prepared on a going concern basis. They have a reasonable expectation that the Board has adequate financial resources to continue operations in the foreseeable future.

28. POST FINANCIAL POSITION EVENTS

The Board is not aware of any significant matter or circumstances that may arise after the reporting period which would significantly affect the financial position of the Board and results of its operations as laid out in these financial statements.

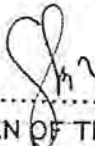
29. ACCOUNTING POLICIES

A summary of significant accounting policies is provided in **Note 2** of the financial statements.

30. STATUTORY AUDITORS

The Controller and Auditor General (CAG) is the statutory Auditor of the Roads Fund Board by virtue of Article 143 of the Constitution of the United Republic of Tanzania, Public Audit Act No. 11 of 2008 and Section 4(6) of the Roads and Fuel Tolls Act CAP 220.

BY ORDER OF THE BOARD



CHAIRMAN OF THE ROADS FUND BOARD

14/03/2026
DATE

Report by Those Charged with Governance & Financial Statements for the
period ended 30 June 2025

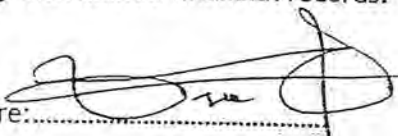
DECLARATION BY THE HEAD OF FINANCE AND ACCOUNTING

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 declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

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

I, CPA Hosea E. Kashimba, being the Director of Finance and Accounting of the Roads Fund Board, hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2025, have been prepared in compliance with the International Public Sector Accounting Standards (IPSASs) and statutory requirements.

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

Signature: 

Position: Director of Finance and Accounts

NBAA Membership No.: FCPA 1357

Date: 14.03.2026

STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The Board directors are responsible for the preparation and fair presentation of the financial statements, comprising the Statement of Financial Position as at 30 June 2025 and the Statement of Financial Performance, the statement of changes in Net Assets, Cash flows Statement, Comparison of budget and actual amount for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Public Sector Accounting Standards (IPSAS) accrual.

The Directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors have assessed the Board's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the financial year ahead.

Approval of the financial statements

The financial statements of the Board, as indicated above, were approved by the Board of Directors on 14.03.2026.



Chairman

14/03/2026

Date

Report by Those Charged with Governance & Financial Statements for the
period ended 30 June 2025

5.0 FINANCIAL STATEMENT

5.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

ASSETS	Note	2024/25 TZS	2023/24 TZS
<u>Current Asset</u>			<u>RESTATED</u>
Cash and Cash Equivalents	62	277,366,058,493	509,985,898,328
Receivables	67	1,093,685,446,690	277,560,110,016
Loan Receivables	68	828,996,667	571,020,273
Samia Bond Investment	108	1,500,000,000	-
Inventory	70	23,013,333	-
Total Current Asset		1,373,403,515,183	788,117,028,617
<u>Non-Current Asset</u>			
Property, Plant and Equipment	77	9,277,441,528	8,999,953,485
Intangible Assets	78	204,626,708	185,467,383
Total Non-Current Assets		9,482,068,236	9,185,420,868
TOTAL ASSETS		1,382,885,583,419	797,302,449,485
<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Payables and Accruals	89	432,058,451	110,047,204
Deferred Income	93	196,925,221,963	234,154,720,848
Deposits	94	50,500,145	51,575,211
Total Current Liabilities		197,407,780,559	234,316,343,263
TOTAL LIABILITIES		197,407,780,559	234,316,343,263
Net Assets		1,185,477,802,860	562,986,106,223
NET ASSETS			
Capital Contributed by:			
Taxpayers	110	56,842,610	56,842,610
Development Partner Support	110	99,287,978	99,287,978
Accumulated Surpluses		1,185,321,672,272	562,829,975,635
TOTAL NET ASSETS		1,185,477,802,860	562,986,106,223


Acting Chief Executive Officer

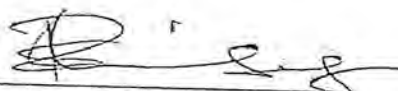

Board Chairman

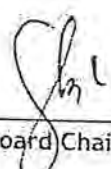
14/03/2026
Date

Report by Those Charged with Governance & Financial Statements for the
period ended 30 June 2025

5.2 STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30 JUNE 2025

	Note	2024/25 TZS	2023/24 TZS
REVENUE			
Revenue Grants	16	1,231,376,850,298	1,115,450,338,356
Revenue from Exchange Transactions	17	3,927,850,947	4,685,162,915
Levies	18	404,723,541	509,374,248
Fees, Fines, Penalties and Forfeits	19	16,223,888,546	23,604,279,393
Financing Income	21	43,597,562	
Reversal of ECL	24	0	1,318,539,073
Gain on Foreign Currency Transactions	27	460,513,121	208,017,325
Other Revenue	31	8,278,307,771	9,020,077,203
TOTAL REVENUE		1,260,715,731,787	1,154,795,788,513
EXPENSES AND TRANSFERS			
Expenses			
Wages, Salaries and Employee Benefits	34	5,841,490,292	4,766,652,129
Use of Goods and Service	35	5,291,445,427	4,824,892,716
Maintenance Expenses	36	220,189,536	526,187,438
Other Expenses	52	6,659,689,067	4,516,811,772
Depreciation of Property, Plant and Equipment	77	299,827,361	253,517,138
Amortisation of Intangible Assets	78	22,502,232	18,146,088
ECL Expenses	69(b)	252,584,420	11,779,691
Total Expenses		18,587,728,335	14,917,986,972
Transfer			
Grants and Transfers	59	619,596,306,816	596,905,244,229
Other Transfers	60	40,000,000	20,000,000
Total Transfer		619,636,306,816.0	596,925,244,229
TOTAL EXPENSES AND TRANSFERS		638,224,035,151	611,843,231,201
Surplus)		622,491,696,636	542,952,557,312


Acting Chief Executive Officer


Board Chairman

14/03/2026
Date

Report by Those Charged with Governance & Financial Statements for the period ended 30 June 2025

5.3 STATEMENT OF CHANGES IN NET ASSETS AND EQUITY FOR THE PERIOD ENDED 30 JUNE 2025

	Development Partner Support	Tax Payer's Fund	Accum: Surplus/(Deficit)	Total
	TZS	TZS	TZS	TZS
Opening Balance as at 01 Jul 2024	99,287,978	56,842,610	562,829,975,635	562,986,106,223
Other Adjustments				
Balance as at 01st July 2024	99,287,978	56,842,610	562,829,975,635	562,986,106,223
Surplus for the Year			622,491,696,637.33	622,491,696,637.33
Closing Balance as at 30 Jun 2025	99,287,978	56,842,610	1,185,321,672,272	1,185,477,802,860
Opening Balance as at 01 Jul 2023	99,287,978	56,842,610	19,877,418,323	20,033,548,911
Surplus for the Year			542,952,557,312	542,952,557,312
Closing Balance as at 30 Jun 2024	99,287,978	56,842,610	562,829,975,635	562,986,106,223


Acting Chief Executive Officer


Board Chairman

14/03/2026
Date

Report by Those Charged with Governance & Financial Statements for the
period ended 30 June 2025

CASHFLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2025

CASH FLOW FROM OPERATING ACTIVITIES	2024/25	2023/24
RECEIPTS	TZS	TZS
Revenue Grants	378,179,927,576	1,011,596,930,579
Revenue from Exchange Transactions	3,927,850,947	4,685,162,915
Other Revenue	8,272,054,749	8,364,764,648
Levies	250,607,794	489,353,900
Increase in Deposit	-	29,182,472
Fees, Fines, Penalties and Forfeits	16,223,888,546	23,604,279,393
Total Receipts	406,854,329,612	1,048,769,673,907
PAYMENTS		
Wages, Salaries and Employee Benefits	5,887,597,118.00	4,753,817,479
Use of Goods and Service	5,312,668,811	4,895,876,207
Other Transfers	40,000,000	20,000,000
Other Expenses	6,659,688,990.00	4,524,211,772
Maintenance Expenses	220,189,536.00	526,187,438
Grants and Transfers	619,596,306,815	596,905,244,229
Decrease in Deposit	1,075,065.00	
Total Payments	637,717,526,335	611,625,337,125
NET CASH FLOW FROM OPERATING ACTIVITIES	(230,863,196,723)	437,144,336,783
CASH FLOW FROM INVESTING ACTIVITIES		
Investing Activities		
Proceeds from the sale of PPE	-	10,585,938
Acquisition of Property, Plant and Equipment	(209,426,859)	(469,791,295)
Interest from the Bond	43,597,562	
Acquisition of Bond	(1,500,000,000)	
Acquisition of Intangibles	(41,661,557)	(21,457,590)
Total Investing Activities	(1,707,490,854)	(480,662,947)
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,707,490,854)	(480,662,947)
CASH FLOW FROM FINANCING ACTIVITIES		
Financing Activities		
Loan Receivable issued	(257,976,394)	(571,020,273)
Total Financing Activities	(257,976,394)	(571,020,273)
NET CASH FLOW FROM FINANCING ACTIVITIES	(257,976,394)	(571,020,273)
Net Increase	(232,828,663,971)	436,092,653,563
Effect of Foreign Currency Changes	460,513,121	208,017,325
Cash and cash equivalents at the beginning of the period	510,055,849,445	73,755,178,557
Cash and cash equivalents at the end of the period	277,687,698,595	510,055,849,445

Report by Those Charged with Governance & Financial Statements for the period ended 30 June 2025

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE 2025

	TZS			TZS			TZS			TZS		
	Original Budget			Reallocation			Revised Final Budget			Actual Amount		
RECEIPTS												
Revenue Grants	1,305,528,065,269			-			1,305,528,065,269			378,179,927,576		-927,348,137,693
Revenue from Exchange Transactions	8,500,000,000			-			8,500,000,000			8,272,054,749		-27,945,251
Other Revenue	5,000,000,000			-			5,000,000,000			3,977,850,947		-1,072,149,053
Levies	500,000,000			-			500,000,000			250,607,794		-249,392,206
Financing Income	-			-			0			43,597,562.00		43,597,562
Fees, Fines, Penalties and Forfeits	19,000,000,000			-			19,000,000,000			16,223,888,546.00		-2,776,111,454
Total Receipts	1,338,528,065,269			-			1,338,528,065,269			406,897,927,174		931,630,138,095
PAYMENTS												
Wages, Salaries and Employee Benefits	5,805,723,400			981,000,000			6,786,723,400			5,887,597,118		899,126,282
Use of Goods and Service	7,455,207,000			-144,000,000			7,311,207,000			5,312,688,811		1,998,538,188
Other Transfers	200,921,067,184			-1,240,000,000			199,681,067,184			40,000,000		199,641,067,184
Other Expenses	14,459,347,966			300,000,000			14,759,347,966			6,659,688,990		8,099,658,976
Maintenance Expenses	253,300,000			103,000,000			356,300,000			220,189,536		136,110,464
Grants and Transfers	1,108,623,919,719			-			1,108,623,919,719			619,596,306,816		489,027,612,903
Acquisition of PPE	954,500,000			-			954,500,000			209,426,859		745,073,141
Acquisition of Intangibles	55,000,000			-			55,000,000			41,661,557		13,338,443
Acquisition of Infrastructure Bond										1,500,000,000		(1,500,000,000)
Loan receivable Issued							0			257,976,394.00		-257,976,394
Decrease in Deposit										1,075,063		-1,075,063
Total Payment	1,338,528,065,269			-			1,338,528,065,269			639,726,591,144		698,801,474,124
Net Receipts/Payments				-			-			-232,828,663,971		-232,828,663,971

Report by Those Charged with Governance & Financial Statements for the period ended 30 June 2025

LIST OF TRANSACTIONS/BALANCES WITH OTHER GOVERNMENT ENTITIES FOR YEAR ENDED 30 JUNE, 2025					
S/N	Goods/Services received	Name of entity provided goods/services	Amount paid	Payable balance	
1	ELETRICITY	TANESCO	60,678,399.46	4,081,847.94	
2	TELEPHONE	TTCL	730,484.40	88,792.42	
3	INTERNET	TTCL	72,000,000.00	6,000,000.00	
4	WATER	DUWASA	3,156,328.97	271,235.50	
5	SECURITY SERVICE	SUMA JKT	96,703,200.00	8,058,600	
6	EMS SERVICE	TPS	0	74,394.56	
7	EMS SERVICE	POSTA	2,375,400.00	361,400.00	
8	MOTOR VEHICLE REPAIR	TEMESA	55,183,188.28	0	
9	FUEL	GPSA	40,000,000.00	0	
	TOTAL		330,827,001.11	18,936,270.42	

INVESTMENT PROPERTY WITHIN OTHER GOVERNMENT ENTITIES FOR THE YEAR ENDED 30 JUNE 2025					
S/N	Name of Investment Property	Name of entity (Occupier)	Amount received (Rent) (TZS)	Receivable (Rent) (TZS)	
1	Building	1 Tanzania Forest Fund	104,692,669.42	0	
2	Building	Ministry of Finance and Planning	176,056,745.76	0	
3	Building	Fair Competition Tribunal	0	32,965,990	
4	Building	National Identification Authority	14,946,048	849,408.00	
5	Building	National Construction Council	0	220,002,613.74	
	TOTAL		295,695,463.18	253,818,011.74	

Report by Those Charged with Governance & Financial Statements for the
period ended 30 June 2025

1. INTRODUCTION

(i) Establishment of Roads Fund Board

The Roads Fund Board is a government institution established by the Roads and Fuel Tolls Act, Chapter 220. The Board is responsible for managing the Fund into which all monies collected from roads and fuel tolls for road maintenance are paid.

(ii) The address

The address of the Board is:

Roads Fund Building,

11 AMMAR Road,

P. O Box 993,

41107 DODOMA MAKULU, DODOMA

Telephone: +255 26 2963277-8

Fax: +255 26 2963279-80

Email address: info@roadsfund.go.tz

More information can be accessed from the Roads Fund Board's website, which is: www.roadsfund.go.tz

(iii) Authorisation of Financial Statements

The Fund's financial statements for the year ended 30 June 2025 were submitted to the Controller and Auditor General (CAG) for audit on 30 August 2025. These financial statements will be authorised for issue after being signed by the CAG and tabled in Parliament.

(iv) Statement of Compliance

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

(v) Basis of Preparation

Road Fund financial statements are prepared and presented in compliance with the accrual basis of IPSASs. Items in financial statements have been reported on historical cost. The cash flows statement is prepared using the direct method. The functional currency of the Board, which is also its presentation currency, is Tanzanian Shillings (TZS).

The Board's Management has assessed the Board's ability to continue as a going concern and is satisfied that the Board has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material

uncertainties that may cast significant doubt upon the Board's ability to continue as a going concern. Therefore, the financial statements are prepared on the going concern basis.

(vi) Reporting Period

The reporting period for these financial statements is the financial year of the Board, which runs from 1 July 2024 to 30 June 2025.

2. NEW STANDARDS ON ISSUE NOT YET ADOPTED BY THE BOARD

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

a) **IPSAS 45 - Property, Plant and Equipment**, which is effective for annual periods beginning on or after 1 January 2025. This standard replaces IPSAS 17, Property, Plant, and Equipment, by adding current operational value as a measurement basis in the updated current value model for assets within its scope, identifying the characteristics of heritage and infrastructure assets, and adding new guidance on how these important types of public sector assets should be recognised and measured. The objective of IPSAS 45 is to develop enhanced guidance clarifying the recognition and measurement of infrastructure and heritage assets that are Property, Plant, and Equipment.

b) **IPSAS 46 - Measurement**, which is effective for annual periods beginning on or after 1 January 2025. The objective of this Standard is to define measurement bases that assist in reflecting fairly the cost of services, operational capacity and financial capacity of assets and liabilities. It identifies approaches under those measurement bases to be applied through individual IPSAS to achieve the objectives of financial reporting. This standard provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice. It brings in generic guidance on fair value for the first time, and introduces current operational value, a public sector-specific current value measurement basis addressing constituents' views that an alternative current value measurement basis to fair value is needed for certain public sector assets.

c) **IPSAS 47 - Revenue**, which is effective for annual periods beginning on or after 1 January 2026. IPSAS 47 replaces the existing three revenue standards, IPSAS 9, IPSAS 11 and IPSAS 23, and presents accounting models which will improve financial reporting and support effective public sector financial management.

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

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

2. NEW STANDARDS ON ISSUE NOT YET ADOPTED BY THE BOARD (CONTINUED)

d) **IPSAS 48 -Transfer Expenses**, which is effective for annual periods beginning on or after 1 January 2026. IPSAS 48 provides accounting guidance for transfer expenses, which account for a significant portion of expenditures for many public sector entities. This new Standard fills a significant gap in the IPSASB's literature and provides guidance to help entities account for public sector transfer expense transactions.

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

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

e) **IPSAS 49 - Retirement Benefit Plans**: The objective of this standard is to prescribe the accounting and reporting requirements for public sector retirement benefit plans, which provide retirement benefits to public sector employees and other eligible participants. IPSAS 49 will be effective for periods beginning on or after January 1, 2026.

IPSAS 50 - Exploration for and Evaluation of Mineral Resources. The objective of this standard is to specify the financial reporting for exploration and evaluation for mineral resources. The Standard requires:

- i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.
- ii. Entities that recognise exploration and evaluation assets to assess such assets for impairment in accordance with IPSAS 26.
- iii. Disclosures that identify and explain the amount in the entity's financial statements arising from exploration for and evaluation of mineral resources and help users of those financial statements to understand the amount, timing and certainty of future cashflows from any exploration and evaluation assets recognised.

The standard is effective for the financial year period beginning on or after 1 January 2027.

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

2. NEW STANDARDS ON ISSUE NOT YET ADOPTED BY THE BOARD (CONTINUED)

IFRS S1 - (General Requirements for Disclosure of Sustainability-related Financial Information)

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

IFRS S2 - (Climate-related Disclosures)

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

3. SUMMARY OF ACCOUNTING POLICIES

a) Functional and Presentation Currency

Items included in the financial statements of the Board are measured using the currency of the primary economic environment in which the Board operates ("the functional currency"). The financial statements are presented in Tanzanian Shillings, which is the Board's functional and presentation currency.

b) Transactions and Balances

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing on the dates of the transactions. 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 presented in the statement of financial performance.

c) Revenue Recognition

Revenue is the gross inflow of economic benefit or service potential during the reporting period when those inflows result in an increase in net assets/equity, other than increases relating to contributions from owners.

Revenue is recognised only when it is probable that the economic benefits or service potential associated with the transaction will flow to the Board and the revenue can be reliably measured. The Board recognise revenue from both exchange and non-exchange transactions.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(i) Revenue from Non-exchange Transactions - IPSAS 23

The Board recognizes revenues when there is an inflow of resources from a non-exchange transaction recognized as an asset, except to the extent that a liability is also recognized in respect of the same inflow; when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Fuel levies and Transit Charges are the common revenue from non-exchange transactions associated with a liability to transfer them to road agencies.

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

(ii) Revenue from Exchange Transactions - IPSAS 9

Rent and related service charges are the common revenue from exchange transactions and are recognised when earned and reported in the financial period to which they relate.

d) Budget Information - IPSAS 24

The annual budget is prepared on the cash basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

e) Property, Plant and Equipment - IPSAS 17

Property, plants and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of any replacement parts in accordance with the related recognition criteria. Depreciation is calculated on a straight-line basis over the remaining useful life of the assets.

f) Depreciated Replacement Cost Approach

This approach shows that the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

g) Depreciation

Depreciation is calculated on a straight-line basis over the remaining useful life of the assets, as the Government has adopted the straight-line method for depreciation of Public Assets, which is allocated systematically over the useful life of the respective assets. Depreciation for valuation purposes shall be the adjustment made to the replacement cost to reflect physical deterioration, functional and economic obsolescence.

h) Estimated Useful Life

As assets run an economic life peculiar to themselves, depending on make, constant handling and operational use, some assets are continued in use much beyond the estimated useful life due to periodical maintenance and repairs. The table below shows the estimated useful life of assets based on the requirements of The Public Finance (Management of Public Property) Regulations, 2024, compared to the estimated useful life of assets in the previous periods.

Table 15: Estimated Useful Life

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

Asset Category	Estimated Useful life in Years (2024/25)	Estimated Useful life in Years (2023/24)
Plant and machinery	15	15
Furniture and fixtures	10	10
Office Equipment	10	10
Motor vehicles - Light vehicles (Below 5 tons)	10	10
Motorcycles	7	7
Computer (Desktops and Laptops)	8	8
Uninterruptible Power Supplies (UPS)	10	10
Video Conference Equipment	10	10
Servers	10	10
Network/ Telecom Equipment	10	10
Equipment Racks	10	10
A television studio, cameras, and other photographic equipment	10	10
Document processing equipment, e.g., photocopiers, mail handling equipment, shredders, and check handling equipment.	10	10
Administrative Building	50	50

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3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

The table below shows the Tangible assets' useful condition with its estimated useful life.

Tangible assets' useful condition with its estimated useful life

CONDITION	ESTIMATED USEFUL LIFE				
	7	8	10	15	50
	ESTIMATED REMAINING USEFUL LIFE				
New	7	8	10	15	50
Very Good	7	8	10	15	48
Good	6	7	9	13	43
Fair	5	5	6	9	30
Poor	3	4	4	6	20
Very Poor	2	2	2	3	8

Subsequently, Property and Equipment are accounted for using the Cost Model. By using the cost model, the asset is carried at cost less accumulated depreciation and accumulated impairment, if any.

When a major repair is performed, its cost is recognised in the carrying amount of property and equipment if its recognition criteria are satisfied. The costs of major repairs are included in the respective asset's carrying amount.

All other expenditure for repairs and maintenance of Property and Equipment is charged to Statement of Financial Performance in the financial period in which they are incurred.

De-recognition

The Board derecognises items of property and equipment upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on the derecognition of an item of property and equipment is included in the Statement of Financial Performance, unless IPSASs requires otherwise on a sale and leaseback.

i) Intangible Assets - IPSAS 31

An intangible asset is an identifiable non-monetary asset without physical substance, such as software, patents, copyrights, goodwill and trademarks.

Recognition

An intangible asset shall be recognised if and only if: it is probable that expected future economic benefits or service potential that are attributable to the asset will flow to the entity, and the cost or fair value of the asset can be measured reliably.

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Subsequently, the intangible assets are accounted for using the Cost Model. By using the cost model, the intangible asset is carried at cost less accumulated amortisation and accumulated impairment, if any. Expenditure that enhances or extends the performance of computer software beyond its original specifications is capitalised.

Internally generated intangible assets, excluding development costs, are not capitalised, and expenditure is reflected in the Statement of Financial Performance in the year in which the expenditure is incurred. Intangible assets comprise costs that are directly associated with identifiable and unique computer software products that RFB controls.

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

Amortization

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

Description of Intangible Asset Category	Useful Life (Years)
Application software	10

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on an intangible asset with a finite life is recognised in the Statement of Financial Performance as the expense category that is consistent with the nature of the intangible asset. Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Financial Performance when the asset is derecognised.

j) Provisions, Contingent Assets and Contingent Liabilities - IPSAS 19

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

The expense relating to any provision is presented in the statement of financial performance, net of any reimbursement.

Contingent Liabilities

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The Board does not recognise a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefit or service potential is remote.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Contingent Asset

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

k) Capital Management

The Board maintains its Capital Fund and other reserves. It includes taxpayers' funds, Development partners' support and retained reserves.

The primary objective of the Board's capital management is to ensure that it maintains a strong asset base in order to support its objectives and maximise achievement of stakeholders' expectations.

l) Retirement Contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a social security fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. The Board has been striving to remit retirement benefits for staff as early as possible to the Pension Fund.

m) Related Parties - IPSAS 20

The Board regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Board, or vice versa. Members of key management are regarded as related parties and comprise the board members, the Chief Executive Officer, directors and the Ministry of Works. Related party transactions are disclosed under Note 3.

n) Inventories

Inventories consist of stationery and other consumables. They are measured at cost upon initial recognition. To the extent that inventories were received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventories is at their fair value at the date of acquisition.

o) **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at the bank. Bank account balances include amounts held at the Central Bank of Tanzania (BOT) and at various collecting commercial banks at the end of the financial year.

p) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Entity recognises financial instruments when it becomes a party to the contractual provisions.

Financial assets

Initial recognition

The classification of financial instruments at initial recognition depends on their contractual terms and the management model for managing the instruments, as described below for the specific financial assets.

Financial instruments are initially recognised and measured at their fair value. Except for financial assets and financial liabilities recorded at fair Value through Surplus or Deficit, transaction costs are added to this amount.

Other receivables that do not contain a significant financing component or for which the Entity has applied the practical expedient are measured at the transaction price.

Measurement categories

The Board classifies all of its financial assets based on the management model for managing the assets and the assets' contractual terms. The categories include the following:

- (i) Financial assets at Amortised Cost,
- (ii) Financial asset at Fair Value through Net asset/ Equity, and
- (iii) Financial asset at Fair Value through Surplus or Deficit.

Financial assets at Amortised Cost

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in Surplus or Deficit when the asset is derecognised, modified or impaired.

The Board's financial assets at amortised cost include cash and bank balances, institutional loans, staff loans, and other receivables (including grant receivables, sundry debtors).

Financial assets are held at amortised cost if both of the following conditions are met:

- (i) The instruments are held within a **management model** with the objective of holding the instruments to collect the contractual cash flows.

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- (ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Financial asset at Fair Value through Net asset/ Equity.

The Entity applies the new category under IPSAS 41 for financial assets at Fair Value through net assets/ Equity when both of the following conditions are met:

- (i) The instrument is held within a management model, the objective of which is both collecting contractual cash flows and selling financial assets.
- (ii) The contractual terms of the financial asset meet the SPPI test.

Financial assets in this category are those that are intended to be held to collect contractual cash flows and which may be sold in response to needs for liquidity or in response to changes in market conditions.

The Board does not have financial assets at fair value through net assets.

Financial asset at Fair Value through Surplus or Deficit

Financial assets in this category are those that are managed in a fair value management model, or that have been designated by management upon initial recognition or are mandatorily required to be measured at fair value under IPSAS 41. This category includes financial assets whose cash flow characteristics fail the SPPI criterion or are not held within a management model whose objective is either to collect contractual cash flows or both to collect contractual cash flows and sell.

The Board does not have any financial assets measured at fair Value through Surplus or Deficit.

Subsequent measurement

Financial assets at amortised cost

After initial measurement, financial assets are measured at amortised cost, using the effective interest rate (EIR) method, less allowance for impairment. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. ECLs are recognised in the statement of surplus or deficit when the investments are impaired.

Derecognition

Derecognition other than for substantial modification

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- (i) The rights to receive cash flows from the asset have expired.
- (ii) The Entity has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a. the Entity has transferred all the risks and rewards of the asset; or

- b. The Entity has neither transferred nor retained all the risks and rewards of the asset substantially, but has transferred control of the asset.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

The Board considers control to be transferred if and only if the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

Derecognition due to substantial modification of terms and conditions

The Board derecognises a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new instrument, with the difference recognised as a derecognition gain or loss.

When assessing whether or not to derecognise an instrument, amongst others, the Entity considers the following factors:

- (i) Change in currency of the debt instrument.
- (ii) Introduction of an equity feature
- (iii) Change in counterparty.
- (iv) If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Entity records a modification gain or loss.

Impairment of financial assets

The Board recognises loss allowances for Expected Credit Losses (ECLs) on the following financial instruments that are not measured at Fair Value through Surplus or Deficit. The Entity's financial assets in the scope of IPSAS 41 Impairment include the following

- Staff Loans
- Institutional Loans
- Cash at the bank
- Other receivables.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Entity expects to receive, discounted at the appropriate effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required

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for credit losses expected over the remaining life of the exposure, irrespective of
the timing of the default (a lifetime ECL).

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

The Entity considers a financial asset to be in default (credit impaired) when contractual payments are 90 days past due. However, in certain cases, the Entity may also consider a financial asset to be in default when internal or external information indicates that the Entity is unlikely to receive the outstanding contractual amounts.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The calculation of ECLs

The Board calculates ECLs based on scenarios to measure the expected cash shortfalls, discounted at an appropriate EIR. When estimating the ECLs, the Entity considers three scenarios (a base case, an upside, and a downside). When relevant, the assessment of multiple scenarios also incorporates the probability of default assessment.

A loss allowance is calculated at each reporting date; however, the ECL model is updated on a quarterly basis to accommodate any event that might cause a significant increase in credit risks on financial assets.

The term 'expected credit loss' does not imply that losses are anticipated, but rather that there is recognition of the potential risk of loss. Determining whether an expected credit loss should be based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk of the financial asset since initial recognition.

Inputs into the measurement of ECLs

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

- PD *The Probability of Default* is an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forward-looking information.
- EAD *The Exposure at Default* is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and accrued interest from missed payments.
- LGD *The Loss Given Default* is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Entity would expect to receive. It is usually expressed as a percentage of the EAD.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

For receivables, the Entity applies a simplified approach in calculating ECLs. Therefore, the Entity does not track changes in credit risk but instead recognises a ~~loss allowance based on lifetime ECLs at each reporting date.~~ The Entity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Forward-looking information

In its ECL models, the Entity relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- Consumer price index
- Government consumptions

Write-offs

Financial assets are written off either partially or in their entirety only when the Entity has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense. There were no write-offs over the periods reported in these financial statements.

Financial liabilities

Recognition

Financial liabilities are recognised when the Entity has a contractual obligation to deliver cash as a result of goods or services received.

Measurement

Financial liabilities are initially measured at fair value, and net gains and losses, including any interest expense, are recognised in surplus or deficit. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus or deficit.

The Entity's financial liabilities include payables

Derecognition

The Board derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Entity also derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in surplus or deficit.

Offsetting of financial instruments

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

q) Comparative Figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

r) Significant Judgments and Sources of Estimation Uncertainty - IPSAS 3

The preparation of the Board's financial statements in conformity with IPSAS 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 end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

s) Estimates and Assumptions

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

The Board based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Board. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

t) Useful lives

The useful lives of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset is based on the assessment of experts employed by the Board
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

u) Impairment of financial assets

Estimates are required to be made of what would be the impact of a loss event that has occurred after the initial recognition of a financial asset and which would affect the estimated future cash flows. The Board assessed, at the reporting date, whether a financial asset or group of financial assets have been impaired based on objective evidence of impairment or a loss event. On computation of Impairment loss, a model was developed that uses a single forward- looking expected credit loss (ECL) as per IPSAS 41. Refer to Note 23 of the Financial Statements for the information on impairment.

v) Impairment of non-financial assets

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

4. FINANCIAL RISK MANAGEMENT

(i). Financial Risk

The Board's activities are potentially exposed to a variety of financial risks, including credit risk, liquidity risk, market risks, operational risks and the effects of changes in foreign currency exchange rates. The Board's overall risk management programme takes account of the unpredictability of foreign exchange rate trends and seeks to minimise potential adverse effects on its financial performance.

(ii). Market Risk

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

(iii) Foreign exchange risk

The Board has some exposure to foreign currencies as it has some receivables from service providers and monetary items balances in foreign currency, especially US\$, while significant operating expenditures are incurred principally in local currency, that is TZS. The Board encourage the settlement in USD for receivables denominated in USD, while it discourages payments in USD and any other foreign currency for the Board's expenditure. However, this exposure does not result in a significant risk as foreign currency assets and liabilities as are normally settled within a fairly short time.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Board does not have long-term deposits or borrowings; thus, the statement of financial performance is not highly affected by changes in market interest rates.

(v) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Board's main revenue-generating activities are levies. Credit risk mainly arises from receivables and bank balances. The Board is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments.

The Board's maximum exposure to Credit Risk as at 30 June 2025 is as shown below:

	2024/25 TZS'000		2023/24 TZS'000
Financial Assets:			
Cash and Cash Equivalents	277,366,058,493	-	509,985,898,328
Receivables	1,093,685,446,690	-	277,560,110,016
Loan Receivables	828,996,667	-	571,020,273
Total Financial Assets	1,371,880,501,850		788,117,028,617

(vi) Receivables

Outstanding receivables are regularly monitored. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Entity's receivables and contract assets using a provision matrix.

30 June 2025

Receivables			
Days past due	Loss rate	Exposure at default	Expected credit loss
0-30	0.0000%	13,186,396.16	0
31-60	0.0000%	125,715,779.28	0
61-90	0.0000%	0	0
91-180	0.5776%	20,629,002.24	119,155.50
181-270	10.2418%	0	0
271-365	27.9172%	0	0
365+	51.6217%	94,286,834.46	48,672,458.21
		253,818,012.14	48,791,613.71

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Note: The Receivable related to Fuel Levy non-remittance of is not considered in Risk computations.

30 June 2024

Receivables			
Days past due	Loss rate	Exposure at default	Expected credit loss
0-30	0.0000%	110,327,282.46	-
31-60	0.0000%	-	-
61-90	0.0000%	-	-
91-180	0.5776%	13,186,396.16	76,166.15
181-360	10.2418%	-	-
360+	19.9176%	-	-

Total Cash in the Banks to which the Entity is exposed to credit risk as of 30 June 2025, with its comparative figures, is presented in the table below according to the classification of assets (classification according to external credit rating is done based on credit ratings published by Standard and Poor's, Moody's or Fitch)

Name of the bank	Balance as at June 2025	Balance as at June 2024	Credit Ratings
CRDB Bank (Matumizi Acc)	11,597,525,866	836,343,619	1
CRDB Bank (Imp. Acc)	0	2,172,187	1
TCB Bank (Rise Acc)	491,355,776	2,005,105,336	1

Credit quality

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

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June 2025

Description	Stage 1	Stage 2	Stage 3	Total
Exposure				
Bank balances	277,366,058.493	-	-	277,366,058.493
Other receivables	927,628,419.86	-	-	927,628,419.86
Rent receivables	13,186,396.16	146,344,782	94,286,834.46	253,818,012.14
Total	278,306,873,309.02	146,344,782	94,286,834.46	278,547,504,925
Expected credit loss				
Bank balances	251,688,985.36	-	-	251,688,985.36
Other receivables	673,617	-	-	673,617
Rent receivables	221,817	-	-	221,817
Total	252,584,419.36	-	-	252,584,419.36
Carrying amount	278,054,288,889.66			278,054,288,889.66

Note: The Receivable related to Fuel Levy non-remittance of is not considered in ECL computations.

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4. FINANCIAL RISK MANAGEMENT (CONTINUED)

June 2024

Description	Stage 1	Stage 2	Stage 3	Total
Exposure				
Bank balances	510,055,826,121	-	-	510,055,826,121
Other receivables	794,480,027	-	11,150,000	805,630,027
Rent receivables	97,140,886	13,186,396	-	110,327,282
Total	510,947,447,034	13,186,396	-	510,960,633,430
Expected credit loss				0
Bank balances	69,951,117	-	-	69,951,117
Other receivables	18,227,800	-	11,150,000	29,377,800
Rent receivables	76,166	-	-	76,166
Total	88,255,083	0	0	88,255,083
Carrying amount	510,859,191,951	13,186,396	0	510,872,378,347

(vi) Liquidity Risk

Liquidity risk is the risk of the Board not being able to meet its financial obligations as they fall due. The Board's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Board's reputation.

The Board manages its liquidity risk to ensure it is able to meet estimated expenditure requirements based on the approved budget and through the use of cash flow forecasts. This is achieved through prudent liquidity risk management, which includes maintaining sufficient cash and cash equivalents. Furthermore, the Board strived to ensure that receivables were settled within 30 days after the due date by introducing interest on late payments and maintaining active follow-up on outstanding debts. The analysis of the Board's financial assets and financial liabilities into relevant maturity groups is shown below:

Financial Asset/Financial Liability	1 - 3 Months TZS '000	4 - 12 Months TZS '000	More than 12 Months TZS '000	Total TZS '000
30 June 2025				
Financial Assets				
Cash and Cash Equivalents	277,366,058,493	0	0	277,366,058,493
Receivables	927,628,419.86	0	0	927,628,419.86
Loan Receivables	13,186,396.16	146,344,782	94,286,834.46	13,186,396.16
Total Financial Asset	278,306,873,309.02	146,344,782	94,286,834.46	278,306,873,309.02
Financial Liabilities				
Payables	91,960,219	0	0	91,960,219
Total Financial Liability	91,960,219	0	0	91,960,219
Liquidity Gap	278,214,913,090.02	146,344,782	94,286,834.46	278,214,913,090.02

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

30 June 2024

Financial Assets

Cash and Cash Equivalents	510,055,826,121	-	-	510,055,826,121
Receivables	984,421,243.41	13,186,396	11,150,000	1,008,757,639
Loan Receivables	571,020,273.00	-	-	571,020,273
Total Financial Asset	511,611,267,637	13,186,396	11,150,000	511,635,604,033

Financial Liabilities

Payables	110,047,204	0	0	110,047,204.00
Total Financial Liability	110,047,204	0	0	110,047,204.00

Liquidity Gap	511,501,220,433	13,186,396	11,150,000	511,525,556,829.41
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4. EVENTS AFTER THE REPORTING PERIOD - IPSAS 14

There have been no events subsequent to the financial year-end with a significant impact on the financial statements for the year ended June 30, 2025.

5. RELATED PARTY TRANSACTIONS

The Board Members, including the Chairman, and Senior Management employees (Directors and Heads of Unit) are related parties for the Board. Related party transactions during the year ended 30 June 2025 are as per the table below;

A table showing Related Part transactions

S/N	Description	30.06.2025	30.06.2024	Remarks
1	Board-related expenses (travel and training)	205,210,000.00	308,161,522.00	The Board visits various destinations like the Coast Region and Morogoro.
2	Board Members' fees	40,800,000.00	43,125,000.00	The decrease has been due to a smaller number of Board Members for part of the year
3	Remuneration to nine Management Personnel	1,450,200,000.00	795,503,600.00	The increase has been due to a change in organisational structure and an increase in the number of Management Staff (from 6 members to 9 Members)
4	Transfers to the Ministry of Works	37,887,734,753.00	44,392,307,567.29	There is a decrease of TZS.6.5bn, which has been caused by the non-transfer of funds to the Ministry of Works
	Total	39,583,944,783.26	45,539,097,719.29	

Report by Those Charged with Governance & Financial Statements for the period ended 30 June 2025

Note 105: MATERIAL DIFFERENCES BETWEEN REVISED FINAL BUDGET AND ACTUAL AMOUNTS

Description	Revised Final Budget TZS	Actual Amount TZS	Variance TZS	% Variance	Comments
RECEIPTS					
Subvention to other Government entities	1,305,528,065,269	359,277,305,845	(946,250,759,424)	(72.5)	The Board received less than 30% of the annual approved budget allocation.
Levies	500,000,000	250,607,794,00	(249,392,206)	-49.9%	Some of the tenants vacated, and the Board reclaimed the space, but one of the tenants also faces financial difficulties.
	<u>1,306,028,065,269</u>	<u>359,527,913,639</u>	<u>(946,500,151,630)</u>	<u>(72.5%)</u>	
PAYMENTS					
Other Expenses	14,759,347,966	6,640,455,067	8,118,892,899	34%	Some activities were shelved due to inadequate funding
Maintenance Expenses	356,300,000	220,189,536	136,110,464	29%	The Board had to revise its activities due to a lack of funds
Grants and Transfers	1,108,623,919,719	619,596,306,816	489,027,612,903.00	-44.1%	Road agencies that are beneficiaries of the grants and transfers could not receive the allocated funds due to negative cash flow
Acquisition of PPE	954,500,000	618,976,961	335,523,039	35.2%	Only a few necessary items were procured.
	<u>1,124,694,067,685</u>	<u>627,075,928,380</u>	<u>497,618,139,305</u>	<u>44.24%</u>	

Report by Those Charged with Governance & Financial Statements for the
period ended 30 June 2025

	2024/25 TZS	2023/24 TZS
16 - Revenue Grants		
Government Grant Personal Emolument	1,767,606,478	1,822,261,658
Government Grant Development Foreign	35,888,196,766	2,127,251,552
Government Grant Development Local	1,189,014,901,302	1,103,220,197,106
Government Grant Other Charges	4,706,145,752	8,231,961,788
Revenue Grants - Non-Monetary	-	48,666,252
	<u>1,231,376,850,298</u>	<u>1,115,450,338,356</u>
Note 16: This comprises government Grant of TZS 1,195,488,653,532 which include TZS 1,767,606,478 for PE, TZS.4,706,145,752 for OC and TZS 1,189,014,901,302 for Roads Agencies. TZS 35,888,196,766 is foreign Grant for Roads Projects.		
17 - Revenue from Exchange Transactions		
Road reserve fees- Exchange	3,927,850,947	4,685,162,915
Total	<u>3,927,850,947</u>	<u>4,685,162,915</u>
18 - Levies		
Levy -Renting Space / Houses	404,723,541	509,374,248
Totals	404,723,541	509,374,248
19 - Fees, Fines, Penalties and Forfeits		
Permit Fees	16,223,888,546	23,604,279,393
Total	<u>16,223,888,546</u>	<u>23,604,279,393</u>
21 - Financing Income		
Interest from Infrastructure Bond, CRDB Bank	43,597,562	-
	43,597,562	-
24 - Reversal of ECL (Impact of IPSAS 41)		
Reversal of Provision of ECL (cash)	-	1,270,421,076
Reversal of Provision of ECL (Rent)	-	48,117,997
Total	-	1,318,539,073
27 - Gain on Foreign Currency transaction		
Foreign exchange differences (Gain- Monetary)	460,513,121	208,017,325
Total	<u>460,513,121</u>	<u>208,017,325</u>
31 - Other Revenue		
Overloading fees	8,278,307,771	9,019,491,641
Proceeds from the sale of government assets	-	585,563
Total	8,278,307,771	9,020,077,203

Report by Those Charged with Governance & Financial Statements for the
period ended 30 June 2025

	2024/25 TZS	2023/24 TZS
34 - Wages, Salaries and Employee Benefits		
Acting Allowance	35,530,000	18,786,000
Casual Labourers	85,772,900	51,359,800
Civil Servants	2,144,050,450	2,123,467,420
Electricity	36,800,000	54,471,152
Extra-Duty	468,300,000	605,365,734
Food and Refreshment	50,982,672	1,625,000
Honoraria	546,975,764	828,299,466
Housing allowance Expenses	-	4,800,000
Leave Travel	138,310,194	122,239,718
National Health Insurance Schemes (NHIF) Employer Expenses	-	25,000,000
Outfit Allowance	1,400,000	600,000
Sitting Allowance	569,483,084	174,358,130
Statutory Contributions	475,649,075	-
Facilitation Allowance Expenses	31,040,000	-
Housing Allowance Discretionary Expenses	116,800,000	-
Responsibility Allowance	25,600,000	-
Water Allowance	18,561,195	-
Risk Allowance	58,040,000	-
Telephone	177,948,358	61,841,000
Transport Allowance	860,246,600	694,438,708
Total	5,841,490,292	4,766,652,129

Report by Those Charged with Governance & Financial Statements for the
period ended 30 June 2025

	2024/25 TZS	2023/24 TZS
35 - Use of Goods and Services		
Advertising and Publication - Communication & Information	42,956,650	47,098,203
Air Travel Tickets Training - Domestic	9,412,000	52,582,991
Air Travel Tickets Training - Foreign	5,518,000	55,023,382
Air Travel Tickets Travel - In - Country	61,702,130	74,487,660
Air Travel Tickets: Travel Out of Country	51,444,500	86,296,800
Catering services	94,749,237	0
Cleaning Supplies - Use of Goods and Services	3,640,000	807,424
Computer Software - Use of goods and Services	8,421,451	-
Computer Supplies and Accessories	9,989,191	19,694,328
Conference Facilities	266,837,307	320,462,779
Diesel	126,818,252	140,390,907
Educational Radio and TV broadcasting programming	4,288,000	21,632,000
Electricity - Utilities, Supplies, and Services	48,159,230	40,856,204
Entertainment - Hospitality Supplies and Services	47,000,000	12,300,000
Exhibition, Festivals and Celebrations	20,786,581	-
Food and Refreshments	257,479,083	269,850,257
Fumigation Expenses	12,170,000	4,200,000
Gifts and Prizes	38,500,000	89,350,000
Ground travel (bus, railway taxi, etc) Travel - In - Country	529,797,866.21	518,629,622
Internet and Email connections	72,347,500	79,193,548
Newspapers and Magazines	4,300,800	1,189,200
Office Consumables (papers, pencils, pens and stationery)	123,002,373	73,609,774
Outsourcing Costs (includes cleaning and security services)	181,874,247	186,391,557
Per Diem - Domestic	2,539,857,754	1,982,485,984
Per Diem - Foreign	65,942,470	116,970,093
Posts and Telegraphs	2,375,400	3,274,300
Printing and Photocopy paper	3,125,000	9,722,753
Printing and Photocopying Costs	12,000,000	38,598,220
Protective Clothing, footwear and gears	150,000	-
Remuneration of Instructors	14,725,048	1,500,000
Rent of Private vehicles	1,000,000	-
Rent of Vehicles and Crafts	-	25,993,000
Small engineering tools and equipment	1,390,000	-
Software License Fees	114,501,699	104,656,420
Special Foods (diet food)	600,000.00	
Subscription Fees	10,080,080	31,508,925
Training Allowances	85,525,146	373,750
Tuition Fees Training - Domestic	137,730,421	113,254,159
Tuition Fees Training - Foreign	36,093,653	25,370,794
Uniforms and Ceremonial Dresses	13,510,000	2,160,000
Upkeep Allowances	209,318,790	263,838,255

Report by Those Charged with Governance & Financial Statements for the
period ended 30 June 2025

Water Charges	20,590,486	9,667,267
Wire, Wireless, Telephone, Telex Services and Facsimile	1,735,081	1,472,162
Total	5,291,445,427	4,824,892,716

36 - Maintenance Expenses

Computers, printers, scanners, and other computer-related equipment	8,953,694	34,401,231
Fire Protection Equipment	-	2,090,000
Motor Vehicles and Watercraft	70,701,625	73,790,104
Outsource maintenance contract services - Buildings	115,068,335	405,412,368
Outsource maintenance contract services - Office Equipment and Appliances	25,465,881	10,493,734
Total	220,189,536	526,187,438

52 - Other Expenses

Audit Fees Expenses(reimbursables)	423,107,000	51,774,000
Burial Expenses	13,400,000	-
Consultancy fees***	5,091,760,194	3,280,949,448
Director's Fee	40,800,000	43,125,000
Honorariums (expert opinion)	1,068,669,138	1,140,963,324
Insurance Expenses	21,952,734	-
Total	6,659,689,067	4,516,811,772

*** The increase in the fees was due to the accomplishment of the Roads network database (Spatial project)

59 - Grants and Transfers

Tanzania Rural and Urban Road Agency (TARURA)	153,168,860,988	126,907,130,421
Ministry of Works	37,579,035,720	44,392,307,567
President's Offices, Regional Administrative and Local Government**	64,603,015,662	14,840,843,814
Tanzania National Road Agency (TANROADS)	364,245,394,446	410,764,962,426
Total	619,596,306,816	596,905,244,229

** The amount transferred includes TZS.31bn for the Agri connect Project

60 - Other Transfers

Contribution to CF (15%)	40,000,000	20,000,000
Total	40,000,000	20,000,000

Report by Those Charged with Governance & Financial Statements for the
period ended 30 June 2025

	2024/25	2023/24
	TZS	TZS
62 - Cash and Cash Equivalents		
BOT 14 Series Collection Account	261,417,820,899	500,879,743,122
Commercial Own source revenue	1,043,333	1,043,333
Deposit	1,000,000	1,000,000
Deposit Cash Account	23,806,143	23,732,926
Development Expenditure Cash Account	11,029,189,255	2,550,000,001
Imprest Cash Account	-	2,172,187
Loan Cash Account	303,737,170	390,271,173
Own source Collection Account - NBC	-	335,325
Own source Collection Account - NMB	-	4,366,635
Own source Collection Account -CRDB	-	23,322
Own source Development Expenditure	491,355,776	3,437,820,088
Own source Recurrent Expenditure GF	92,917,328	264,732,796
Provision for ECL (Cash)	(321,640,102)	(69,951,117)
Recurrent Expenditure Cash Account	119,664,874	92,760,986
Unapplied Cash Account	25,874,913	1,012,551,021
USD BOT Collection Account	4,181,288,904	1,395,296,530
Totals	<u><u>277,366,058,493</u></u>	<u><u>509,985,898,328</u></u>
<u>Movement of Expected credit loss</u>		
Opening balance	69,951,117	69,951,117
Impact of IPSAS 41 (Charge for the year)	251,688,985	
	321,640,103	69,951,117
Amount Carried forward	321,640,103	-
Closing balance	321,640,103	69,951,117
	2024/25	2023/24
67 - Receivables	TZS	TZS
Levies	276,068,929	121,953,182
Other Revenue Addition	922,210,331	915,957,309
Receivable from exchange transaction	-	1,560,496
Provision for expected credit loss (ECL)	(30,979,091)	(30,083,657)
Receivable (TRA Declared Collections)		
	1,092,518,146,521	276,550,722,686
Totals	<u><u>1,093,685,446,690</u></u>	<u><u>277,560,110,016</u></u>

Report by Those Charged with Governance & Financial Statements for the
period ended 30 June 2025

67 (a) Receivable TRA Declared Collection;

The Board through notification received from TRA in 2024/25 was informed of the Collection to be TZS 1,195,488,653,532.24 and the FY 2023/24 TZS1,113,274,420,552. Through these notifications the Board has taken note that there are a Receivable of TZS 815,967,423,835.24 and TZS 276,723,697,866.17 for the FY 2024/25 and 2023/24 respectively. These Funds are collected in fulfillment of Section 5(4)(iii). In view of the above the unremitted funds have been treated as Receivable.

68 - Loan Receivables

Staff Loan	828,996,667	571,020,273
Totals	<u>828,996,667</u>	<u>571,020,273</u>

69 - Provision of ECL

Charge of Cash and Cash equivalents	321,640,103	69,951,117
Charge of Rental Receivables	221,817	48,117,997
Charge of Other Receivables (Loan)	673,617	18,857,491
Other Receivable (TPC)	-	11,150,000
Totals	<u>322,535,537</u>	<u>148,076,605</u>

69(b) ECL Expenses

Charge of Cash and Cash equivalents	251,688,985	1,270,421,076
Charge of Rental Receivables	221,817	48,117,997
Charge of Other Receivables (Loan)	673,617	(629,691)
Other Receivable (TPC)	-	(11,150,000)
Totals	<u>252,584,419</u>	<u>1,306,759,382</u>

70 - Inventories

Consumables	<u>23,013,333</u>	-
	<u>23,013,333</u>	-

Report by Those Charged with Governance & Financial Statements for the period ended 30 June 2025

Note no. 77 - Property, Plant and Equipment

	LAND	OFFICE BUILDING	RESIDENTIAL BUILDING	M/VEHICLES	OFFICE EQUIPMENTS	OFFICE FURNITURE & FITTINGS	TOTAL
	TZS	TZS	TZS	TZS	TZS	TZS	TZ
Cost as at 30.06.2024	714,900,000	6,040,282,541	2,265,482,506	1,132,510,458	1,306,790,140	515,785,234	11,975,750,87
Additions during the year	-	-	-	0	525,499,210	51,816,193	577,315,40
Disposal during the year	-	-	-	-	-	0	-
Cost as at 30.06.2025	714,900,000	6,040,282,541	2,265,482,506	1,132,510,458	1,832,289,350	567,601,427	12,553,066,28
Accumulated Depreciations							
Acc. Depr. as at 30.06.2024	-	866,286,681	184,075,655	603,522,878	990,080,016	331,832,163	2,975,797,39
Depre. Charge for the year	-	167,858,559.45	0	61,294,901	49,512,386	21,161,514	299,827,36
Depre on disposal for the year	-	-	-	-	-	-	-
Acc. Depr. as at 30.06.2025	0	1,034,145,240	184,075,655	664,817,779	1,039,592,402	352,993,677	3,275,624,755
Net Book Value as at 01.07.2024	714,900,000	5,173,995,860	2,081,406,850	528,987,580	316,710,124	183,953,071	8,999,953,485
Net Book Value as at 30.06.2025	714,900,000	5,006,137,301	2,081,406,851	467,692,679	792,696,948	214,607,750	9,277,441,528

Report by Those Charged with Governance & Financial Statements for the period ended 30 June 2025

Note no. 77 - Property, Plant and Equipment-
2 2023/24

	LAND TZS	OFFICE BUILDING TZS	RESIDENTIAL BUILDING TZS	M/VEHICLES TZS	OFFICE EQUIPMENTS TZS	OFFICE FURNITURE & FITTINGS TZS	TOTAL TZS
Cost as at 01.07.2023	714,900,000	6,040,282,541	2,265,482,506	762,541,458	1,194,881,865	559,321,614	11,537,411,984
Additions during the year	-	-	-	369,969,000	111,908,275	24,211,620	506,088,895
Disposal during the year	-	-	-	-	-	67,750,000	67,750,000
Cost as at 30.06.2024	714,900,000	6,040,282,541	2,265,482,506	1,132,510,458	1,306,790,140	515,785,234	11,975,750,879
Accumulated Depreciations							
Acc. Depr. as at 01.07.2023	-	744,213,264	138,290,513	559,234,166	950,960,018	386,746,357	2,779,444,318
Depre. charge for the year	-	122,073,418	45,785,142	44,288,712	39,119,998	2,249,868	253,517,138
Depre. on disposal for the year	-	-	-	-	-	57,164,063	57,164,063
Acc. Depr. as at 30.06.2024	-	866,286,681	184,075,655	603,522,878	990,080,016	331,832,163	2,975,797,394
Net Book Value as at 01.07.2023	714,900,000	5,296,069,278	2,127,191,992	203,307,292	243,921,847	172,575,256	8,757,967,666
Net Book Value as at 30.06.2024	-	5,173,995,860	2,081,406,850	528,987,580	316,710,124	183,953,071	8,999,953,485

Report by Those Charged with Governance & Financial Statements for the period ended 30 June 2025

Note 78 - Movement schedule for Intangible Asset

PARTICULARS	MIS	CONVENE	BOOMGATE	OTHER	TOTAL
	TZS	SOFTWARE TZS	SOFTWARE TZS	SOFTWARE TZS	TZS
Cost as at 01.07.2024	41,438,088	63,032,330	20,761,887	78,381,166	203,613,470
Additions during the year	-	-	-	41,661,557	41,661,557
Cost as at 30.06.2025	<u>41,438,088</u>	<u>63,032,330</u>	<u>20,761,887</u>	<u>120,042,723</u>	<u>245,275,028</u>
Accumulated amortisation					
Opening balance	-	-	-	18,146,088	18,146,088
Charge for the year	-	-	-	22,502,232	22,502,232
	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,648,320</u>	<u>40,648,320</u>
Net Book Value as at 01.07.2024	<u>41,438,088</u>	<u>63,032,330</u>	<u>20,761,887</u>	<u>60,235,078</u>	<u>185,467,383</u>
Net Book Value as at 30.06.2025	<u>41,438,088</u>	<u>63,032,330</u>	<u>20,761,887</u>	<u>79,394,403</u>	<u>204,626,708</u>

Report by Those Charged with Governance & Financial Statements for the period
ended 30 June 2025

RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (THE PERIOD ENDED 30
JUNE 2025

	2024/25 TZS	2023/24 TZS
Deficit/Surplus for the Period	622,491,696,636	542,952,557,312
Add/ (Less) Non-Cash Item		
Amortisation of intangible assets	22,502,232	18,146,088.00
Grants From other General Government Units	-	(48,666,253)
Depreciation of Property, Plant and Equipment	299,827,361	253,517,138
ECL impairment		11,779,691
Fair value gain on assets and liabilities	252,584,420	(1,318,539,073)
Gain on Foreign Currency Transaction	(460,513,121)	(208,017,325)
Add/ (Less) Change in Working Capital		
Impairment of Receivable	-	-
Decrease in Deferred Income	(37,229,498,884.00)	172,745,981,163
Interest Income from Investment	(43,597,563)	-
Increase in Inventory	(23,013,333)	-
Decrease in Deposit	(1,075,065)	29,182,472
Increase in Payables and Accruals	(46,772,732)	(126,779,230)
Increase in Receivables	(816,125,336,674)	(277,164,825,201)
Net Cash Flow from Operating Activities	(230,863,196,723)	437,144,336,782

Note 61b: Financial Asset of TZS 1,500,000,000

The Board has invested TZS. 1,500,000,000, as participation of the Board during the issuance of the SAMIA Bond (infrastructure Bond) issued by CRDB bank to finance road maintenance and construction of roads under TARURA. The Board so far received TZS 43.9 million as interest income for the period under review.

Note 108: Earned Interest from an Investment

As elaborated in Note 61b, the Board has started earning interest from the Investment in the Infrastructure Bond. The investment is expected to last for the next five years.

Note 111: Gain of Exchange rate differences

The Board has been keeping a huge amount of foreign currency for the Spatial Data Project. As a matter of fact, there has been a fluctuation of the local currency against the US dollar. Through these differences, the Board recognised TZS. 460m at the end of the financial year.

ANNEX 2: ECL (CASH) COMPUTATION

CALCULATION OF ECL (IPSAS 41) FOR THE FY 2024/25

ABBREBRIATION

EGD	EXPOSURE AT
PD	DEFAULT
	PROBABILITY OF
LGD	DEFAULT
	LOSS GIVEN DEFAULT
ECL	EXPECTED CREDIT
	LOSS

NA	ACCOUNT NUMBER	BANK NAME	BANK BALANCE AS AT JUNE, 2025	PD	LGD	ECL	CARRYING VALUE
			A	B	C	D=A*B*C	A-D
1	9921159101	BOT Disbursement		0			
2	9925265831	Account (BOT)	261,417,820,898.50	0			261,417,820,898.50
		Roads Fund		0			
		Administration					
3	9931231281	Expenditure A/C (BOT)		0			
		Road Fund Board Rise					
		Programe Account	4,181,288,903.72				4,181,288,903.72
		(BOT)					
4	470410000005	Road Fund Board RiseE					
		Program (TCB)	491,355,775.95	0.018	0.98	8,709,403.97	482,646,371.98
5	0150685731000	Road Fund Board					
		Matumizi Maalum	11,597,525,865.51	0.027	1.00	312,930,698.37	11,284,595,167.14
		(CRDB)					
6	0150444691300	Road Fund Board					
		Imprest Account (CRDB)					
7	220244000002	GePG Road Fund Board					
		Account TPB					
8	0150476750300	GePG Road Fund Board					
		Account CRDB					
9	52010067854	GePG Road Fund Board					
		Account NMB					
10	029139000076	GePG Road Fund Board					
		Account NBC					
			277,687,991,443.68			321,640,102.34	277,366,351,341.34