

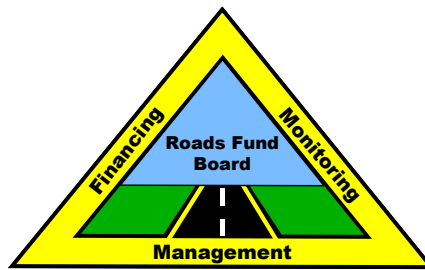
# ROADS FUND BOARD



Pioneering changes



ANNUAL REPORT FOR FY 2014/2015



## **VISION, MISSION AND CORE VALUES OF THE BOARD**

### **VISION**

To be among the best internationally recognized institutions in Road Fund Management.

### **MISSION**

To provide sustainable funding for road maintenance to implementing agencies through collection, disbursement and monitoring its utilisation for social economic wellbeing 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 will work as team to achieve our objectives.

#### **Competence**

We will depend on skills, knowledge, and experience in all fields of our operations.

#### **Innovation**

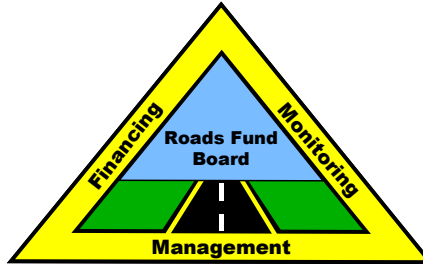
We believe in creative ideas, technologies and practices to enhance quality, effectiveness and efficiency in road maintenance financing.

#### **Professionalism**

We execute our duties with respect to professional skills, ethics, standards and guidelines.

# Letter of Transmittal

## ROADS FUND BOARD



Hon. Prof. Makame Mbarawa Mnyaa (MP),  
Minister for Works, Transport and Communication,  
P.O. Box 2888,  
DODOMA.

On behalf of the Roads Fund Board and pursuant to Section 5 (6) and (7) of the Road and Fuels Tolls Act, Cap 220; with great honour, I have the pleasure to submit the Annual Report for the year ended 30<sup>th</sup> June 2015.

The report presents the overview of the Fund and its governance; its performance review and that of the Board and Implementing Agencies. At the end of the review for each of the Agencies, independent and professional opinion on technical and financial achievement is presented.

I submit,

A handwritten signature in blue ink, appearing to read 'Haule', is written over a horizontal dotted line.

Mr. Joseph O. Haule

**Chairman of the Board**

## CHAIRMAN'S STATEMENT



**Mr. Joseph O. Haule**  
**Chairman**

### Overview

It is my pleasure to present this Annual Report covering the Roads Fund operations for the financial year 2014/15. I submit it on behalf of the entire Board Members pursuant to Section 5(6) of the Roads and Fuel Tolls Act, Cap 220.

### Economic

In the year 2015, the economic growth remained constant as it was in the year 2014 and it grew by 7%. The contribution of construction sub sector to the economy was 10.2% in year 2015 compared to 9.4 % in 2014. The growth of the construction subsector was attributed to an increase in maintenance of roads and bridges of which the Fund has a significant role in terms funding.

### Strategic Plan and Performance Agreement Implementation

The FY 2014/15 was the first year in the implementation of the Five Years Strategic Plan that covers the period between 2014/15 to 2018/19. The Board continued to monitor the implementation of the Strategic Plan as well as Annual Performance Agreement signed with implementing agencies.

The Board developed the Business Plan for FY 2014/15 which was an extract of the five year strategic plan. Basically, deliverables that were set out in the Business Plan and Annual Performance Agreement for FY 2014/15 were achieved satisfactorily. Specifically, road tolls collections surpassed the annual budget by 18.6% compared to the estimated 10%. The disbursement made to implementing agencies stood at 65% and the balance was released by the Treasury in the following year. The Board carried monitoring of revenue collection as well as utilisation of Roads Fund. The construction of the Roads Fund Board office building in Dodoma proceeded well and was on schedule. Additional staff were recruited to strengthen the internal capacity of the Board. The road condition for trunk/regional roads and district roads slightly deteriorated from 89.0% and 57.1% in FY 2013/14 to 86.0% and 56.7% in FY 2014/15 respectively.

## **Future Outlook**

In FY 2015/16, the Board will continue to explore new road user charges that can be part of revenue sources for the Roads Fund to augment the existing ones. In FY 2014/15 the Roads Fund met only 53% of the road maintenance financial requirements and hence leaving 47% of road network unattended. The Board in collaboration with AfDB (as financier) are in the process of procuring a consultant to undertake a study to identify new sources of revenue for the Roads Fund. The study report will be submitted to the Government for review and consideration in (Month and Year).

Furthermore, the Board in collaboration with other stakeholders, is reviewing the Road and Fuel Tolls Act, CAP 220. It is expected that the bill will be enacted in the near future. The amendments are expected to improve performance of the Board.

## **Corporate Governance and Risk**

The Board upholds and embraces the principles of good governance and exercises its oversight role on its affairs related to management of the Fund. It also promotes and exercises transparency, accountability and fairness in conducting its business. With regards to financial management, the Board, always strives to obtained unqualified audit reports.

With regards to risk management, the Board has adopted a framework in accordance with ISO 31000:2009. Risks assessment are embedded in the daily operations of the Board's activities. Risks are monitored and reported to the Board when need arises but usually on a quarterly basis. In order to reinforce corporate governance and risks management and internal controls, the Board has established a specific committee to oversee these issues.

## **Acknowledgment**

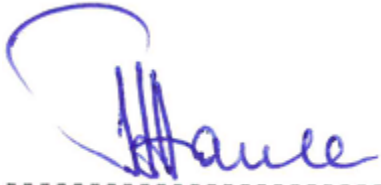
I wish to thank the Ministry of Works, Transport and Communication, the Ministry of Finance and Planning, and the President's Office, Regional Administration and Local Governments for their strategic guidance. I also wish to thank the Tanzania National Roads Agency (TANROADS) and Local Government Authorities for their cooperation..

I cherish the financial and technical assistance extended by; JICA, USAID, WB, DIFD and EU to the Local Government Authorities as well as TANROADS.

I sincerely appreciate the cooperation extended by Tanzania Revenue Authority, Tanzania Port Authority, Energy and Water Utilities Regulatory Authority and Petroleum Import Coordinator, by sharing vital information on fuel imports and consumption. The information has enabled the Board to make an informed decision with regard to resource envelope for road maintenance.

I wish to take this opportunity to thank my fellow Board Members and the Secretariat for their diligence and dedication towards management of the Roads Fund.

Lastly but not the least, I call upon all stakeholders to protect our roads against vandalism and overloading. ***TOGETHER, LET US MAKE OUR ROADS BETTER AND SAFE.***



.....  
Mr. Joseph O. Haule

**CHAIRMAN**

## THE MANAGER'S STATEMENT



**Mr. Eliud T. Nyauhenga**  
**Roads Fund Manager**

### Overview

This report presents the performance review of the Fund for the year 2014/15; the first year of implementation of the Roads Fund Board Strategic Plan that covers the period from 2014/15 – 2018/19. During the FY 2014/15, the Board through its Secretariat continued to monitor collection of the funds; to disburse funds to implementing agencies and to monitor the utilisation of funds in accordance with requirements of the Roads and Fuel Tolls Act, CAP 220.

### Annual Budget Performance

Up to 30<sup>th</sup> June 2015, a total of TZS 642.43 billion was collected compared to the expected annual budget of TZS 541.9 billion. The actual collection exceeded annual budget by 18.6%. The actual collection in FY 2014/15 was almost at the same level with that of FY 2013/14 which was TZS 641.2 billion.

### Disbursement of Funds

Up to 30<sup>th</sup> June 2015, a total of TZS 541.90 billion was disbursed to Implementing Agencies compared to TZS 504.30 billion in FY 2013/14, which exceeded the former by 7.5%. The amount disbursed in FY 2015/16 was less by TZS 100.5 billion or 18.5% compared to annual collection. The Board through the Secretariat continued to liaise with Treasury to ensure that outstanding balances were transferred to the Roads Fund Account.

### Monitoring of Revenue Collection and Utilisation of Funds

The Board continued to monitor revenue collection and reconciliation to ensure that all potential revenues are collected and remitted to the Fund account. The Board in collaboration with University of Dar es Salaam carried out a study to determine possible

revenues leakages from fuel levy. The recommendations of the study were communicated to TRA and other stakeholders for appropriate action.

In order to ensure that value for money is obtained for road maintenance works implemented by road agencies, the Board continuously monitored the utilisation of funds using in-house capacity as well as independent technical auditors. Professional misconduct, deviation from standards and legal provisions were conveyed to the Board and remedial measures were taken as soon as it was reported.

### **Future Plans**

The Board is expected to engage a consultant to undertake road inventory and condition survey for the entire road network in the country. The result of this study will enable the Board to review Roads Fund allocation formula between Trunk/Regional roads and district roads which currently stand at 70% to 30% respectively.

### **Appreciation**

On behalf of the Management and Staff, I would like to thank Board Members for their strategic leadership, without which our targets could not have been achieved. I also wish to express our sincere appreciation to the; Ministry of Works, Ministry of Finance, and Prime Minister's Office, Regional Administration and Local Governments for their guidance and support.

I wish to express our gratitude to TANROADS, LGAs, TRA, EWURA, PIC, TPA and roads users at large, for their cooperation.

Finally, I would like to thank all road users and stakeholders and guarantee them our strong commitment to deliver quality services.



Eliud T. Nyauhenga

**ROADS FUND MANAGER**

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## ACRONYMS AND ABBREVIATIONS

ATTI	Appropriate Technology Training Institute
CC	City Council
CE	Council Engineer
DC	District Council
EAC	East African Community
EU	European Union
FY	Financial Year
HQ	Head quarters
JICA	Japan International Cooperation Agency
KOJ	Kurasini Oil Jet
LBT	Labour-Based Technology
LGA	Local Government Authority
MC	Municipal Council
MoW	Ministry of Works
PIARC	World Road Association
PMMR	Performance-based Management and Maintenance of Roads
PMORALG	Prime Minister's Office Regional Administration and Local Government
RFB	Roads Fund Board
RMMS	Road Maintenance Management System
RMI	Road Maintenance Initiatives
RUC	Road User Charge
SADC	Southern African Development Community
TANROADS	Tanzania National Roads Agency
WAN	Wide Area Network
WB	World Bank
WPU	Women Participation Unit

# PART ONE: REPORT OF THE DIRECTORS

## 1.1 INTRODUCTION

The Board of Directors presents this report and the financial statements for the year ended 30<sup>th</sup> June, 2015, which discloses the state of affairs of the Roads Fund. This Report has been prepared in accordance with the Tanzania Financial Reporting Standard No. 1.

## 1.2 LEGAL CONTEXT

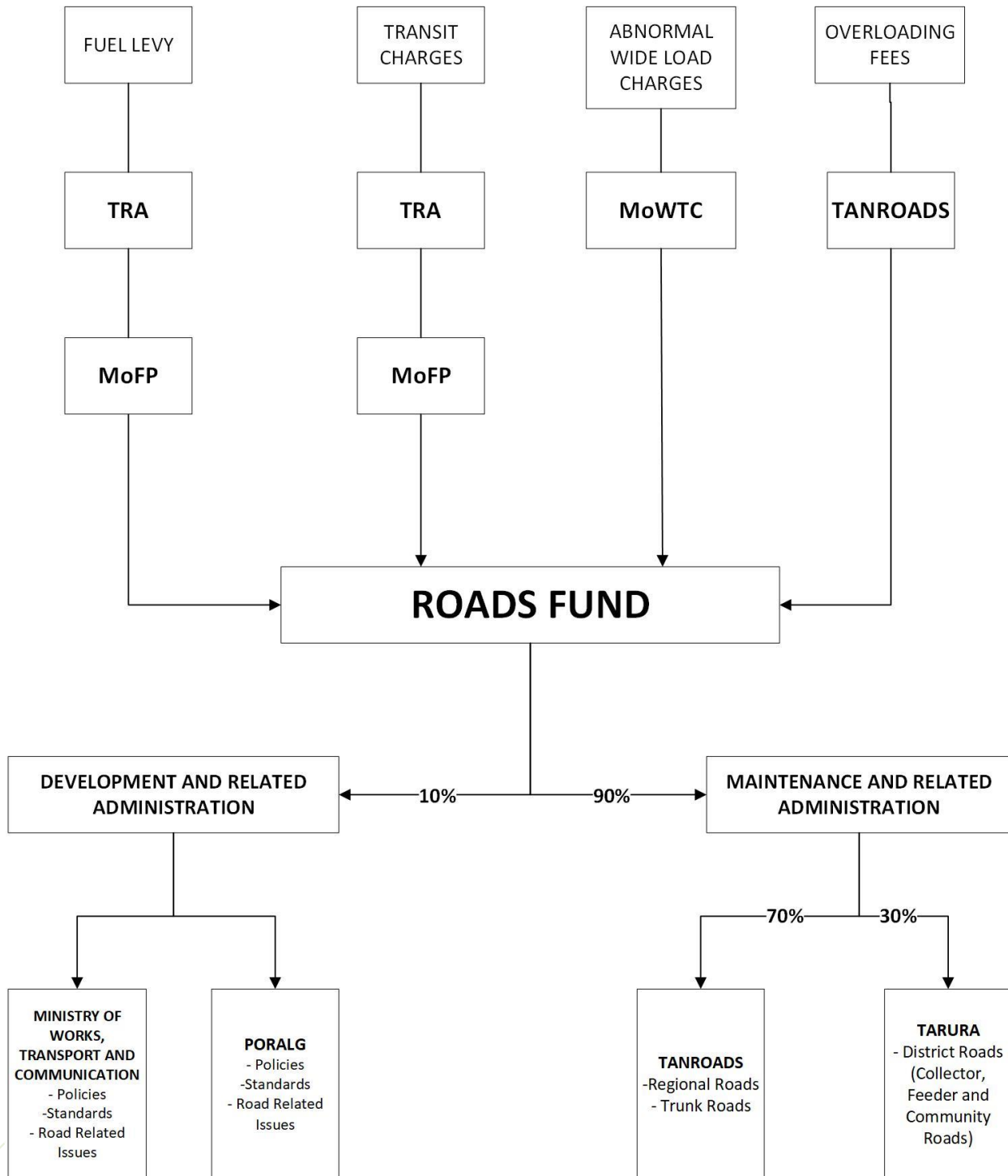
The Roads Fund Board is a government institution established by the Road and Fuel Tolls Act CAP 220 under the Ministry of Works. The Board is mandated to manage the Roads Fund by ensuring that there is full collection of revenue, timely disbursement of funds and monitoring the utilisation of the same to implementing agencies which are MoW, PMORALG, and TANROADS.

## 1.3 SOURCES AND ALLOCATION OF FUND

The sources of the revenue include levies imposed on diesel and petrol; transit fees and vehicle overloading fees, and any other source at the rate or rates to be determined by Parliament from time to time.

The Roads Fund Board is required to enter into Performance Agreements with the PS-MoW, PS-PMORALG, and Chief Executive of TANROADS to which money from the Fund is disbursed. Funds are allocated in the proportions as shown in **figure 1** below

**Figure 1: Roads Fund Flow chart**



## 1.4 USES OF THE FUND

While 10% is allocated for roads development and related administrative costs in Mainland Tanzania as provided under Section 4 (4) of the Act; the 90% is used for maintenance and emergency repairs of classified roads and related administrative costs in Mainland Tanzania as provided under Section 4 (3) of the Act.

## 1.5 VISION AND MISSION

**Vision Statement:** To be among the best internationally recognised institutions in roads fund management.

**Mission Statement:** To provide sustainable funding for road maintenance to implementing agencies through collection, disbursement and monitoring its utilisation for socio-economic wellbeing of the public.

## 1.6 FUNCTIONS OF THE BOARD

The principal functions of the Roads Fund Board as stipulated in the Roads and Fuel Tolls Act, CAP 220 includes the following:

- (i) To advise the roads Minister on new sources of roads and fuel tolls, adjustment of rates of existing tolls and on regulations for the collection of road tolls for the purpose of ensuring an 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 roads and fuel tolls for the purpose of the Fund;
- (iv) To ensure full collection and transfer of collected roads and fuel toll to the Fund's account;
- (v) To develop and review periodically the formula for allocation and disbursement from the Fund to TANROADS, local authorities and other road agencies and advice the roads Minister accordingly;
- (vi) To recommend to the roads Minister an allocation of funds for TANROADS, local authorities and other road agencies to undertake road management at a level that is suitable and affordable;
- (vii) To disburse funds from the Fund to TANROADS, local authorities and other road agencies;
- (viii) To ensure that the operations of TANROADS, local authorities and other road agencies and the Fund, are technically and financially sound;
- (ix) To monitor the use of the funds disbursed to TANROADS, local authorities and other road agencies for the purpose of the objects of the Fund;
- (x) To appoint the Roads Fund Manager and Roads Fund Accountant;
- (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.

## **1.7 COMPOSITION OF MEMBERS OF THE ROADS FUND BOARD**

The Board has nine members, four from the public sector and five from the private sector. The Chairperson of the Board of Directors is appointed by the President of the United Republic of Tanzania. The appointment of the rest of the Members is done by the Roads Minister in consultation with roads users associations.

### **Members from the public sector constitutes:**

- (i) Permanent Secretary, Ministry of Works;
- (ii) Permanent Secretary, Ministry of Finance;
- (iii) Permanent Secretary, Prime Minister's Office Regional Administration and Local Government; and
- (iv) Director of Roads, Ministry of Works.

### **The representatives from the private sector come from:**

- (i) Tanzania Truck Owners Association (TATOA);
- (ii) Tanzania Association of Tour Operators (TATO);
- (iii) Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA); and
- (iv) Tanzania Confederation of Co-operatives (TFC).

The Roads Fund Manager (RFM) who is also the head of the secretariat, serves as the Secretary to the Board.

During the FY under review, the composition of the Board with respective representation was as shown below in **Table 1**.

**Table 1: List of Roads Fund Board members who served during the reporting period**

Sn	Name	Position	Nationality	Qualifications	Date of Appointment	Representation
1.	Dr. James Wanyancha	Chairman	Tanzanian	PhD	03.06.2011	Private Sector
2.	Eng. Musa Iyombe	Member	Tanzanian	MSc	10.10.2013	Permanent Secretary, Ministry of Works
3.	Dr. Servacius Likwelile	Member	Tanzanian	PhD	10.10.2013	Permanent Secretary, Ministry of Finance
4.	Mr. Jumanne Sagini	Member	Tanzanian	MA	10.10.2013	Permanent Secretary, PMORALG
5.	Eng. Ven Ndyamukama	Member	Tanzanian	MSc	10.10.2013	Director of Roads Ministry of Works
6.	Mr. Fulgence Bube	Member	Tanzanian	Advance Diploma	23.04.2012	Representing Tanzania Truck Owners Association
7.	Ms. Agnes Namuhisa	Member	Tanzanian	MA	23.03.2015	Representing Tanzania Confederation of Co-operatives
8.	Mr. Leopold Kabendera	Member	Tanzanian	Diploma	21.12.2012	Representing Tanzania Association of Tour Operators
9.	Eng. Peter Chisawillo	Member	Tanzanian	MSc	16.03.2012	Representing Tanzania Chamber of Com, Industry and Agriculture
10.	Joseph O Haule	Secretary	Tanzanian	MA		Roads Fund Manager

**PICTORIAL BOARD  
MEMBERS  
PRESENTATION**



Dr. James M. Wanyancha  
Chairman



Mr. Jumanne Sagini  
Permanent Secretary,  
PMORALG



Eng. Musa I. Iyombe  
Permanent Secretary, Ministry  
of Works



Dr. Servicius Likwelile  
Permanent Secretary,  
Ministry of Finance



Mr. Leopold B. Kabendera  
Representing Association of Tour  
Operators



Eng. Ven K. Ndyamukama  
A Senior Civil Servant from the  
Government



Eng. Peter Chisawillo  
Representing Tanzania Chamber  
of Commerce, Industries and  
Agriculture



Mr. Fulgence Bube  
Representing Truck Owners  
Association



Ms. Agness Namuhisa  
Representative from Tanzania  
Confederation of Co-operatives



Mr. Joseph O. Haule  
Secretary

### **1.7.1 COMMITTEES OF THE BOARD**

The Board conducts its activities through three committees namely:

- (i) The Technical and Finance Committee (TFAC);
- (ii) Audit and Risk Management Committee (ARMC); and
- (iii) Human Resources, Employment and Discipline Committee.

The Composition of the committees and respective responsibilities is as follows:

#### **(a) The Technical, Finance and Administration Committee Members:**

- |                               |          |
|-------------------------------|----------|
| (i) Eng. Peter Chisawillo     | Chairman |
| (ii) Mr. Jumanne Sagini       | Member   |
| (iii) Dr. Servacius Likwelile | Member   |
| (iv) Mr. Leopold Kabendera    | Member   |
| (v) Eng. Ven Ndyamukama       | Member   |

#### **Functions of the Committee**

- (i) Review operational plans including budget of implementing agencies and RFB;
- (ii) Review the Strategic Plan of the Roads Fund Board and its implementation;
- (iii) Review the technical and preventive audit report;
- (iv) Review progress reports on Roads Fund Collections and disbursement;
- (v) Review progress reports of the implementing agencies and RFB;
- (vi) Consider any other matters, as may be delegated from time to time by the Board;  
and
- (vii) Report to the Board all issues from item (i) to (v) for decision.

#### **(b) Audit and Risk Management Committee Members:**

- |                         |          |
|-------------------------|----------|
| (i) Mr. Fulgence Bube   | Chairman |
| (ii) Mr. Jumanne Sagini | Member   |
| (iii) Eng. Musa Iyombe  | Member   |
| (iv) Ms. Agnes Namuhisa | Member   |

#### **Functions of the Committee**

- (i) Review reports from the Roads Fund Board Audit Committee on matters related to audit reports and financial statement;
- (ii) Review internal audit reports;
- (iii) Review risk management implementation report;

- (iv) Consider any other matters, as may be delegated from time to time by the Board; and
- (v) Present to the Board majors issues from (i) to (ii) for decision.

### **(c) Human Resources , Employment and Discipline Committee**

#### **Members**

- (i) Mr. Leopard Kabendera                      Chairman
- (ii) Mr. Peter Chisawillo                      Member
- (iii) Eng. Ven Ndyamukama                      Member
- (iv) Ms. Agnes Namuhisa                      Member

#### **Functions of the Committee**

- (i) Review Roads Fund Board staff regulations;
- (ii) Deal with staff matters including employment, confirmation and benefits;
- (iii) Consider any other matters, as may be delegated from time to time by the Board; and
- (iv) Present to the Board majors issues from (i) to (ii) for decision.

### **1.7.2 MEETINGS AND ATTENDANCE**

During the financial year under review, the Roads Fund Board conducted four ordinary meetings and five special meetings. The Board meetings were preceded by the Committees meetings which considered the reports and recommended to the Board to make appropriate decisions as shown below in **Table 2**

**Table 2: Summary of attendance and meetings held in FY 2014/15**

Sn	Name of Director	Number of meetings			
		Full Board	TFAC	ARMC	HREDC
1.	Dr. James Wanyancha	9/9	N/A	N/A	N/A
2.	Eng. Musa I. Iyombe	7/9	N/A	4/4	N/A
3.	Dr. Servacius Likwelile	9/9	7/8	N/A	N/A
4.	Mr. Jumanne A. Sagini	8/9	8/8	4/4	N/A
5.	Eng. Ven K. Ndyamukama	8/8	8/8	N/A	3/4
6.	Mr. Fulgence Bube	9/9	N/A	3/4	N/A
7.	Ms. Agnes Namuhisa	6/8	N/A	3/4	2/4
8.	Mr. Leopold B. Kabendera	8/8	6/8	N/A	4/4
9.	Eng. Peter Chisawillo	8/9	7/8	N/A	4/4
10	Mr. Joseph O. Haule	8/8	8/8	4/4	4/4

During the financial year under review the Board met to:

- (i) Review and approve Budgets and Action plans of TANROADS, MoW, PMORALG, and Road Fund Administration for FY 2015/16;
- (ii) Review and approval of quarterly implementation of operational plans of Implementing Agencies and direct accordingly;
- (iii) Review and adopt Technical audit reports of Implementing Agencies for FY 2013/14 and direct accordingly;
- (iv) Formulate policies and strategies of the Roads Fund Board;
- (v) Review CAG Financial audit reports of Implementing Agencies and RFB for the period ending 30<sup>th</sup> June 2014 and direct accordingly;
- (vi) Approval of recruitment of additional staff to enhance manpower in area of IT, procurement and Human resource;
- (vii) Review and take appropriate action on quarterly Internal Audit and Risk management Reports; and
- (viii) Reviewed and provide guidance on the proposal to increase revenue base for the Fund before submitting to the Ministry of Finance.

## 1.8 THE ROADS FUND BOARD SECRETARIAT

According to RFB organisational structure, the Secretariat of the Board is headed by the Roads Fund Manager. The Manager is assisted by three Deputy Managers (i.e Deputy Manager - Finance and Administration; Deputy Manager Technical services and Deputy Manager- Resource Mobilisation) who are heads of respective departments.

The Manager was also assisted by one unit which is the Internal Audit .

The Roads Fund Board Management team was as follows :

**Table 3: List of RFB Secretariat**

S/no	Name	Designation
1	Mr. Joseph O Haule	Roads Fund Manager
2	Mrs. Rose Masenga	Deputy Manager - Finance and Administration
3	Eng. Ronald Lwakatare	Deputy Manager – Technical Services
4	Mr. Eliud Nyauhenga	Deputy Manager – Resource Mobilization
5	Mr. Ayub James	Internal Auditor
6	Mr. Matayo Kiwayo	Internal Auditor - KOJ
7	Eng. Rashid Kalimbaga	Principal Planning and Monitoring Engineer

**PICTORIAL RFB  
MANAGEMENT TEAM  
PRESENTATION**



Mr. Joseph O. Haule  
Roads Fund Manager



Mrs. Rose Masenga  
Deputy Manager Finance &  
Administration



Mr. Ayub James  
Internal Auditor



Eng. Ronald Lwakatare  
Deputy Manager Technical



Mr. Eliud Nyuhenga  
Deputy Manager Resource  
Mobilisation



Mr. Matayo Kiwayo  
Internal Auditor - KOJ



Eng. Rashid Kalimbaga  
Principal Planning and  
Monitoring Engineer

## 1.9 PERFORMANCE OF THE BOARD IN RELATION TO THE FUND

The performance of the Board is assessed by looking at the extent to which the Fund meets the purpose for which it was established. It is assessed in terms of revenue collection, disbursements and uses of disbursed funds.

During the year under review, the Roads Fund Budget was TZS 541.9 billion which was 7% more compared to that of the previous year as shown in **table 4**.

**Table 4: Five Years Trend of Roads Fund Budget (TZS Bill.)**

INSTITUTION	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
TANROADS	177.46	180.28	197.43	267.98	314.53	338.46
PMORALG	84.51	84.51	94.02	127.61	149.78	161.17
MoW	19.72	19.72	21.94	29.78	34.95	37.61
RFB	2.41	2.41	3.17	4.29	5.04	4.66
<b>Total</b>	<b>284.10</b>	<b>286.91</b>	<b>316.55</b>	<b>429.66</b>	<b>504.30</b>	<b>541.90</b>

Source: Roads Fund Board

In FY 2014/15 total collections was **TZS 641.95 billion** which was 0.1% more compared to the previous year as shown in **Table 5** below. Total collection exceeded annual budget by **TZS 100.0 billion**. Fuel levy contributed **TZS 623.18 billion** equivalent to 97.1% of the total collection. Transit charges and overloading fees contributed 1.2% and 1.7% of total collection respectively.

**Table 5: Revenue Collected for the Roads Fund (TZS in Bill.)**

Financial Year	Fuel levy		Transit Charges		Overloading fees		Total	
	Amount	% share	Amount	% share	Amount	% share	Amount	% Change
2008/09	246.12	96.31%	2.97	1.16%	6.47	2.53%	<b>255.56</b>	
2009/10	256.05	96.06%	3.67	1.38%	6.83	2.56%	<b>266.55</b>	<b>4.30%</b>
2010/11	314.84	96.64%	4.69	1.44%	6.25	1.92%	<b>325.77</b>	<b>22.22%</b>
2011/12	391.00	96.12%	5.77	1.42%	10.00	2.46%	<b>406.77</b>	<b>24.86%</b>
2012/13	434.47	97.02%	5.41	1.21%	7.94	1.77%	<b>447.82</b>	<b>10.09%</b>
2013/14	626.02	97.63%	6.52	1.02%	8.69	1.36%	<b>641.23</b>	<b>43.19%</b>
2014/15	623.18	97.08%	7.90	1.23%	10.87	1.69%	<b>641.95</b>	<b>0.11%</b>

Source: Roads Fund Board

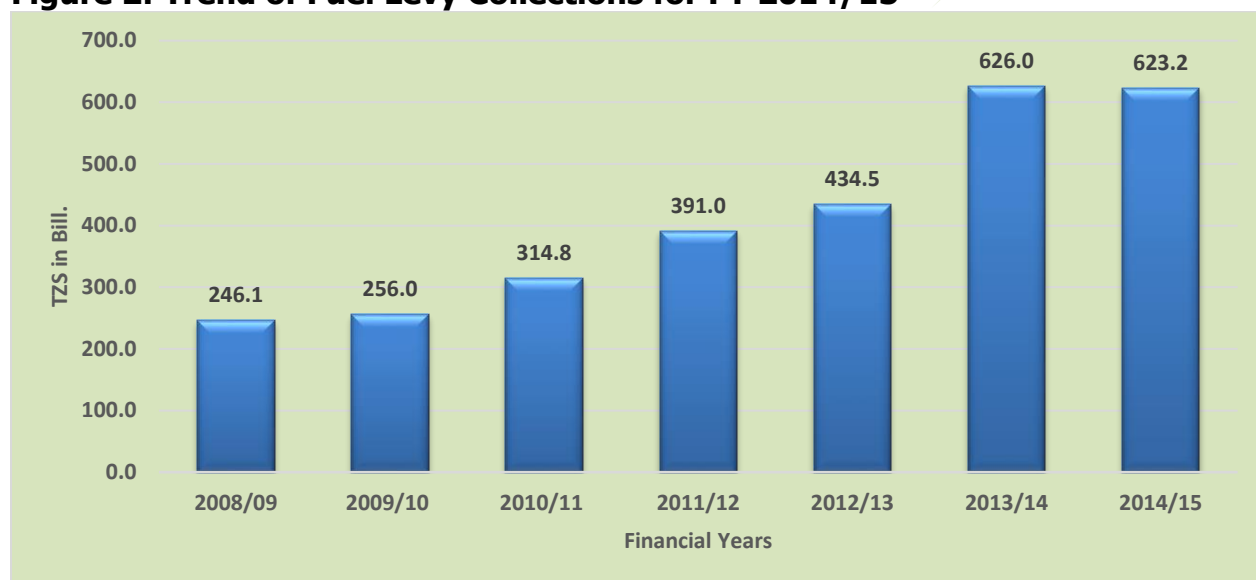
## 1.9.1 PERFORMANCE OF REVENUE SOURCES

### 1.9.1.1 The Fuel Levy

In the FY 2014/15, the fuel levy chargeable rate continued to be **TZS 263** per litre of diesel or petrol consumed in the local market. Revenue from this source is collected by TRA at the port of entry and transferred to Road toll account maintained by Paymaster General at the Bank of Tanzania. Thereafter, funds are transferred to Roads Fund Board's account for onward disbursement to implementing agencies.

Fuel levy collection decreased from **TZS 626.2 billion** in FY 2013/14 to **TZS 623.18 billion** in FY 2014/15; a decrease equivalent to 0.45%. Performance in the last five years is shown in **Figure 2** below:

**Figure 2: Trend of Fuel Levy Collections for FY 2014/15**



Source: RFB

### 1.9.1.2 Transit Charges

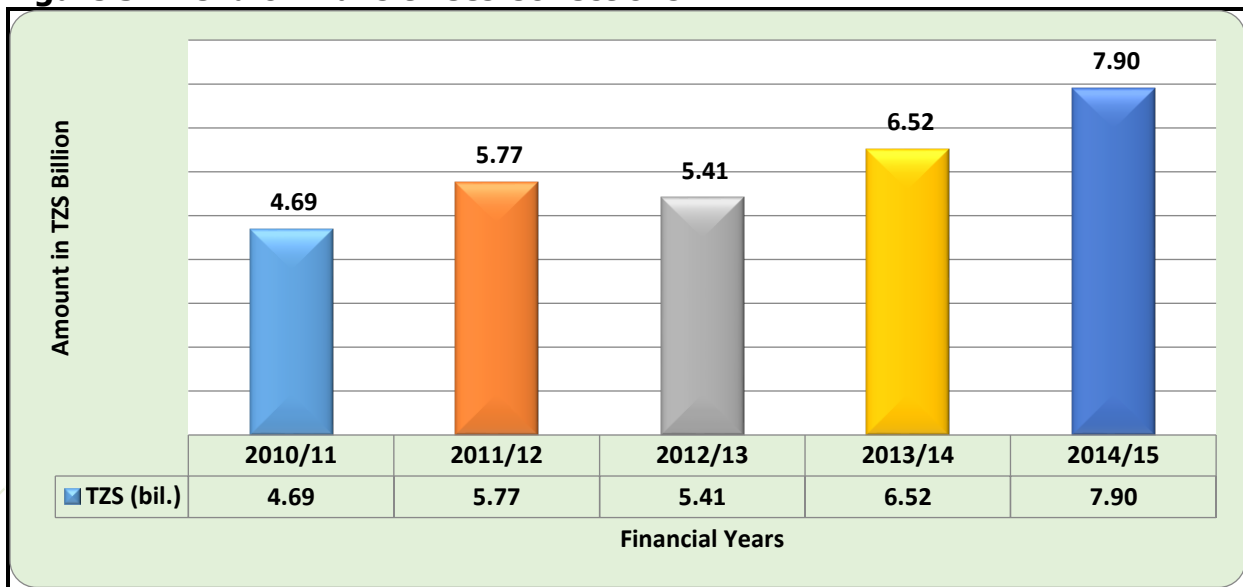
This source of revenue is charged on foreign registered vehicles using Tanzania roads. It is collected by TRA at the customs border points. The base of collection is the number of axles and distance covered, where vehicles with less than 3 axles are charged US\$ 6 per 100km and those with 3 axles or more are charged US\$ 16 per 100km. On a monthly basis, the collections are transferred in the Roads Fund Account maintained at the Bank of Tanzania and later transferred to the Board's Collection Account for disbursement.

**Picture 1: Kasumulu Transit charges collection Point**



During the period, a total of **TZS. 7.9 billion** was collected compared to **TZS 6.52 billion** in Financial Year 2013/14; which is an increase of 21%. Figure 3 below shows the trend of transit fees collections. The reason for such increase is associated with good performance of Port of Dar es Salam which attracts neighbouring countries to use it as a point of import and export of goods. That has resulted into increased number of foreign registered vehicles using Tanzania roads.

**Figure 3: Trend of Transit Fees Collections**



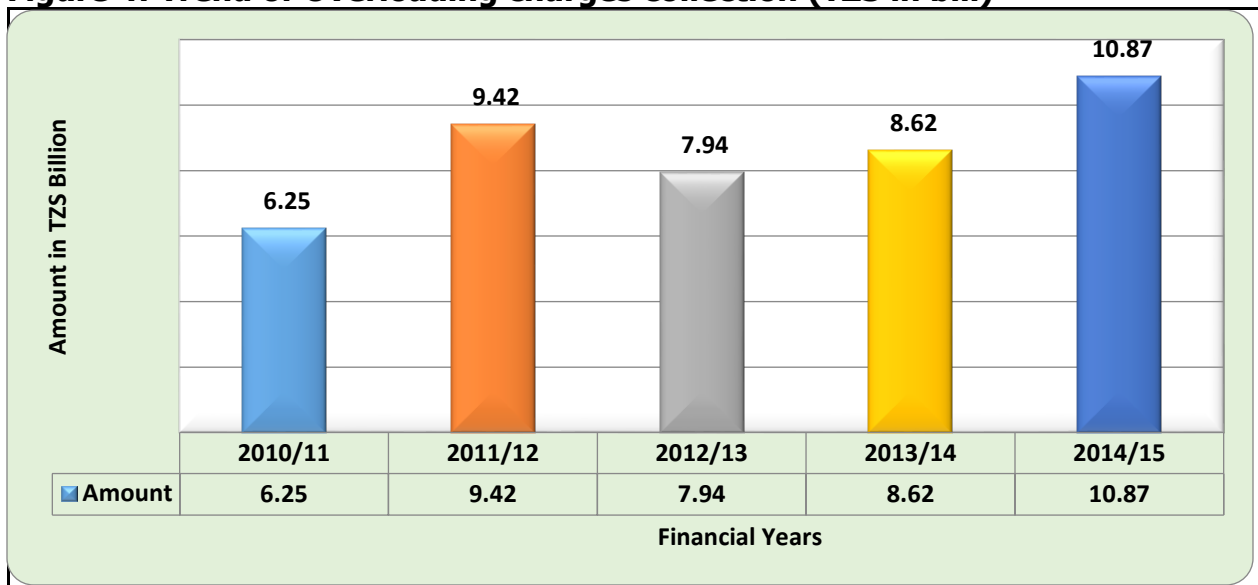
**Source:** Roads Fund Board & TRA

### 1.9.1.3 Overloading fees

Overloading Fees is imposed on overloaded vehicles after weight measurements taken at the weighbridge station. The fee is collected by TANROADS at weighbridge stations and deposited to regional managers' office before being transferred to TANROADS HQ. Thereafter funds are transferred to RFB bank account. Overloading fees is a deterrent measure to protect premature failure of the road pavement as result of overloaded vehicles. Revenue from this source is expected to decline as Transporters abide to law which governs axle load control.

In the Financial Year that ended June 2015, **TZS 10.87 billion** were collected from overloaded vehicles beyond 5% allowable limit . This is an increase of 26% from **TZS 8.62 billion** collected in the year ended June 2014. The five years trend of revenue collections from Overloading is as shown in **figure 4** below.

**Figure 4: Trend of Overloading charges collection (TZS in bill)**



**Source:** Roads Fund Board & TANROADS

**Picture 2: Roads Fund Board staff is seen looking at the Makambako weighbridge structure when on monitoring visit**



### 1.9.2 Disbursement of Funds to Implementing Agencies

In FY 2014/15, a total of **TZS 541.90 billion** was disbursed to implementing agencies, this is an increase of 7% from that of previous year. **Table 6** below shows trend of disbursed fund to implementing agencies.

**Table 6: Trend of Roads Fund Disbursements to Road Agencies (TZS in Bill.)**

INSTITUTION	2010/11	2011/12	2012/13	2013/14	2014/15
TANROADS	177.46	197.43	267.98	314.53	338.46
PMORALG	85.51	94.02	127.61	149.78	161.17
MoW	19.72	21.94	29.76	34.95	37.61
RFB	2.41	3.17	4.30	5.04	4.66
<b>Total</b>	<b>285.10</b>	<b>316.56</b>	<b>429.65</b>	<b>504.30</b>	<b>541.90</b>

**Source:** Roads Fund Board

### 1.10 PERFORMANCE OF ROADS FUND LINKED TO RMI AND MKUKUTA

The performance of the Roads Fund is assessed by using two sets of indicators; the first set of indicators are those that were developed under the Road Maintenance Initiatives

(RMI)<sup>1</sup> of the Sub Saharan Transport Policy Programme. The second set of assessment criteria is drawn from MKUKUTA II. The Board adopted these indicators to serve as a benchmark against which the Fund's performance is measured.

Specifically the indicators are four, developed under RMI and one, in compliance to MKUKUTA II targets as follows:

- (i) Share of fuel levy to Roads Fund and share of Roads Fund to the Road user charges;
- (ii) Asset preservation measured by (a) coverage of periodic maintenance (b) coverage routine maintenance needs (c) coverage of total maintenance needs;
- (iii) Share of annual disbursement against budget;
- (iv) Timely disbursement of funds to implementing agencies; and
- (v) Road network length maintained annually and road condition attained annually.

### 1.10.1 Share of Roads Fund to Road User Charges

The indicator measures the Government readiness to commit taxes/levies paid by road users for roads maintenance. Revenue sources accruing to the Roads Fund (RF) are fuel levy, transit charges and overloading fees. The Roads Users' charges (RUC) are imposed on the use of road network by the motorists. Currently some of the road user charges are not source of revenue for Roads Fund. Those charges are Motor vehicle Registration Fees and Annual Motor Vehicle License Fees. The performance of RF and RUC is shown in **Table 7** below.

**Table 7: Comparison Between Roads Fund Revenue and Total Road User Charges Collected (TZS in Bill.)**

S/N	SOURCE/FY	2010/11	2011/12	2012/13	2013/14	2014/15
1	Fuel levy	314.80	391.00	434.47	626.00	623.18
2	Transit charges	4.70	5.77	5.41	6.52	7.90
3	Overloading Fees	6.20	10.00	7.94	8.62	10.87
	<b>Total Roads Fund (RF)</b>	<b>325.70</b>	<b>406.77</b>	<b>447.82</b>	<b>641.14</b>	<b>641.95</b>
4	Motor vehicle Registration Fees	41.40	81.75	123.23	139.31	116.39
5	Annual Motor vehicle License Fees	14.00	27.65	80.30	93.30	68.03
	<b>Total Road Users' Charges (RUC)</b>	<b>381.10</b>	<b>516.17</b>	<b>651.34</b>	<b>873.75</b>	<b>826.37</b>

**Source:** Roads Fund Board and TRA

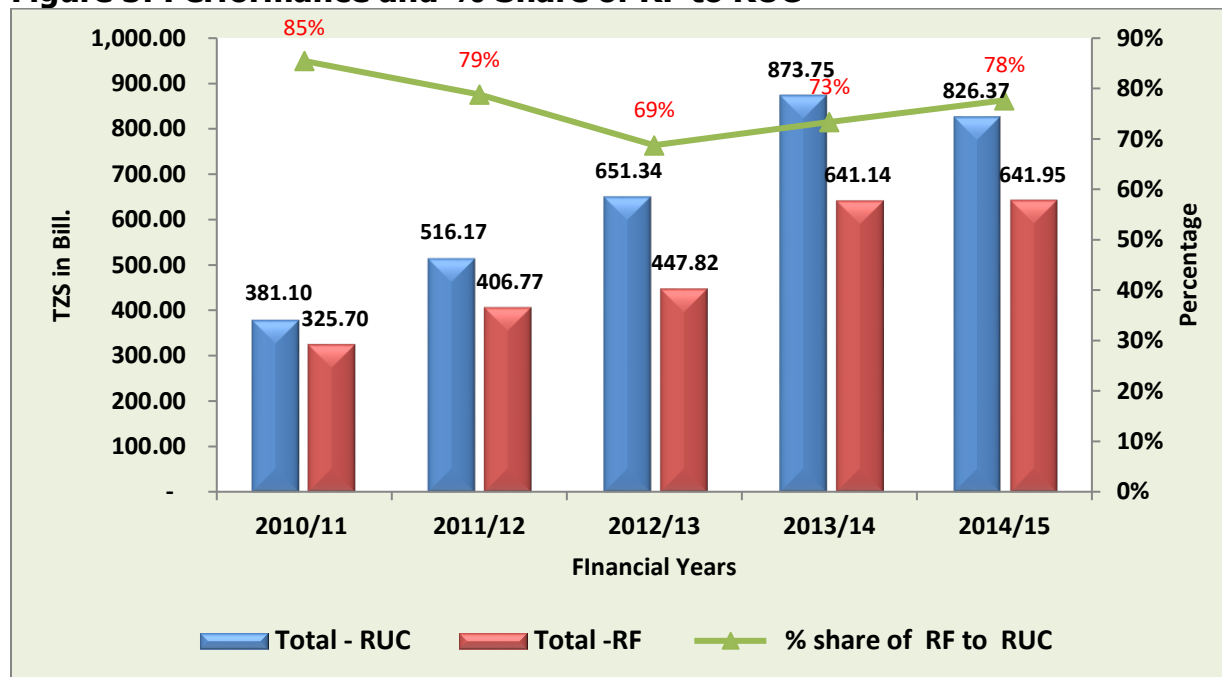
The Roads Fund share to Road Users charges has been below 80% implying that there are other road related charges that are not meant for the Roads fund activities. These

<sup>1</sup> The RMI was developed for the purpose of assessing sustainability of road maintenance programs for improving quality of road maintenance works.

charges are Motor vehicle Registration Fees and Annual Motor Vehicle License Fees, which are paid to the Consolidated Fund to meet expenditure of other equally important recurrent and development activities.

The percentage share of Roads Fund to total User Charges increased to 77.7% in 2014/15 from 73.4% in FY 2013/14. This implies an increased consumption of fuel resulting from increased number of economic activities. **Figure 5** shows the performance of RF against RUC and its percentage.

**Figure 5: Performance and % Share of RF to RUC**



Source: Roads Fund Board

### 1.10.2 Share of Fuel Levy to Roads Fund

This indicator measures the degree of dependency on fuel levy. **Table 8** below shows performance of each source of revenue of the Roads Fund whereby Fuel levy contributes more than 96% of total Road Funds.

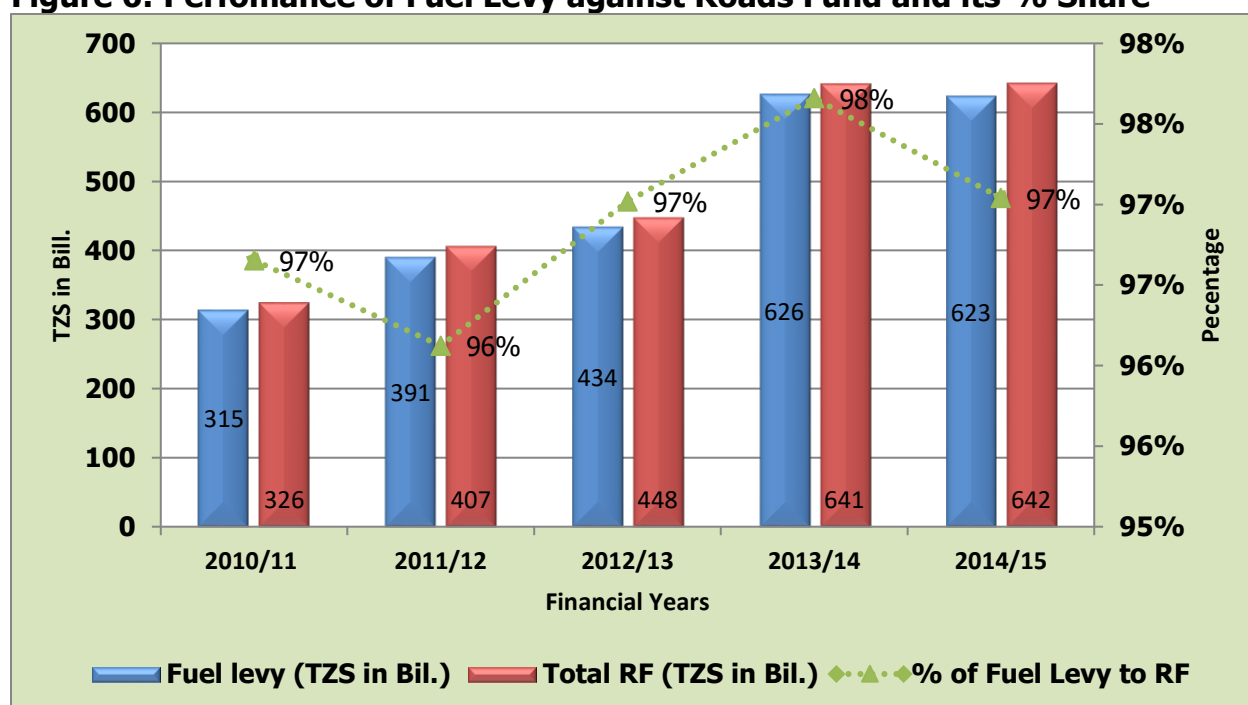
**Table 8: Share of Fuel Levy to Roads Fund (TZS in Bill)**

S/No	SOURCE/FY	2010/11	2011/12	2012/13	2013/14	2014/15
1	Fuel levy	314.80	391.00	434.47	626.00	623.18
2	Transit charges	4.70	5.77	5.41	6.52	7.90
3	Overloading Fees	6.20	10.00	7.94	8.62	10.87
	<b>Total Revenue (RF)</b>	<b>325.70</b>	<b>406.77</b>	<b>447.82</b>	<b>641.14</b>	<b>641.95</b>
	<b>% of Fuel Levy to RF</b>	<b>96.65</b>	<b>96.12</b>	<b>97.02</b>	<b>97.64</b>	<b>97.08</b>

Source: Roads Funds Board

**Figure 6** below shows trend of the size of the Fund and the contribution of fuel levy to it, which reflects the high degree of dependence on fuel levy. This implies that there is an overreliance on fuel levy for generating road maintenance funds. This is a risk that should be mitigated by diversification of RF sources.

**Figure 6: Performance of Fuel Levy against Roads Fund and its % Share**

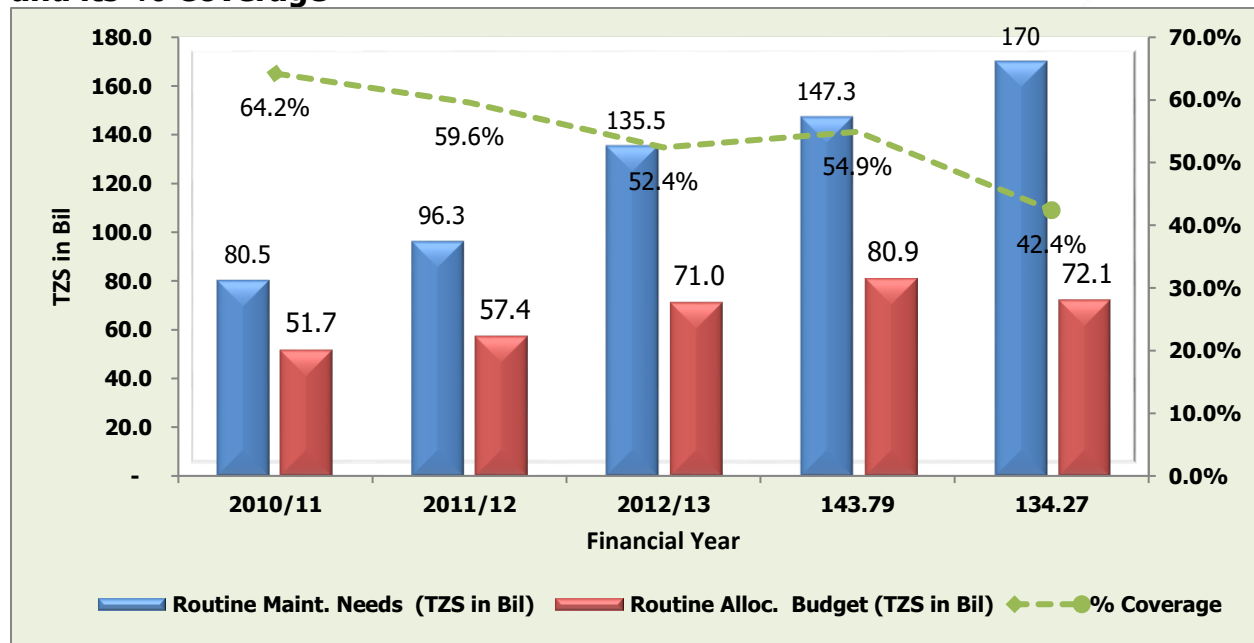


Source: Roads Funds Board

### 1.10.3 Coverage of Routine Maintenance Needs

Routine Maintenance<sup>2</sup> is a critical intervention in road asset preservation which is done continuously on annual basis. This indicator assesses the level of road asset preservation through routine maintenance by comparing routine maintenance requirements against annual budget allocated for the purpose. **Figure 7** below shows comparison between routine maintenance needs against budget and percentage coverage.

**Figure 7: Comparison between Routine Maintenance Needs against Budget and its % Coverage**



Source: Roads Fund Board, TANROADS and PMORALG

### 1.10.4 Coverage of Periodic Maintenance Needs

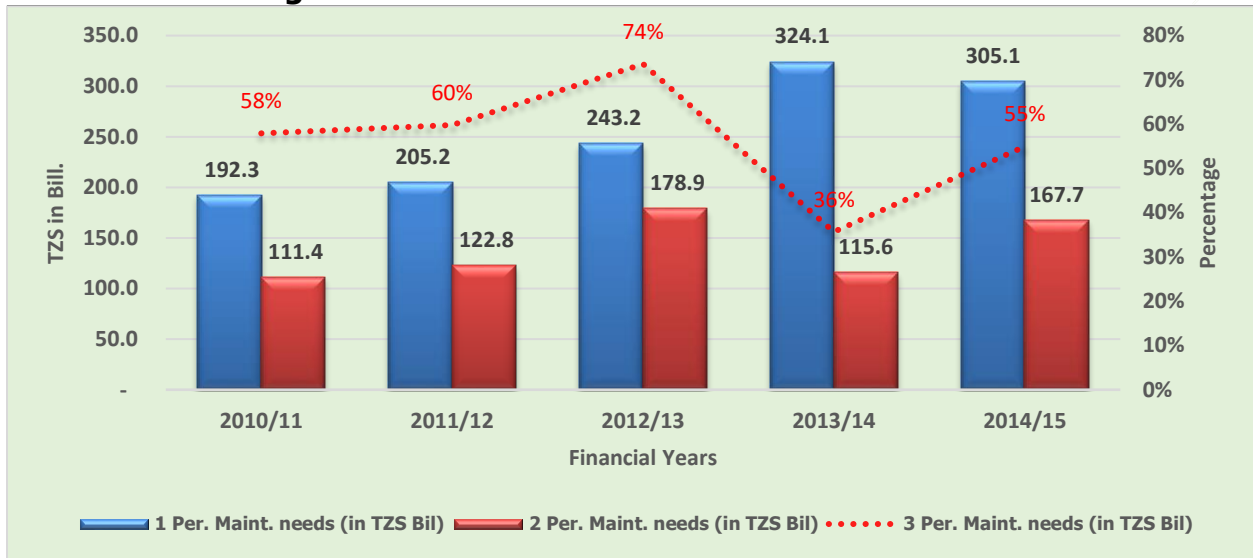
Periodic Maintenance<sup>3</sup> is another critical intervention in road asset preservation; which is carried out in intervals of several years depending on design of pavement with objective

<sup>2</sup> Activities done under **routine maintenance** budget include grass cutting, drain cleaning, culvert and bridge cleaning and maintenance, road furniture and bridge guide rails maintenance, paved road patching, edge repair, crack sealing, and line remarking, and also unpaved road grading, shaping, and pothole repairs.

<sup>3</sup> Activities done under **periodic maintenance**, on paved roads include resealing, overlays of less than 100 mm, fog sprays and shoulder re-forming.

to prolong the life span of the road. This indicator assesses the level of asset preservation by comparing periodic maintenance needs against its budget. **Figure 8** below shows comparison between periodic maintenance needs and allocated budget and its percentage coverage.

**Figure 8: Comparison between Periodic Maintenance Needs against Budget and its % Coverage**



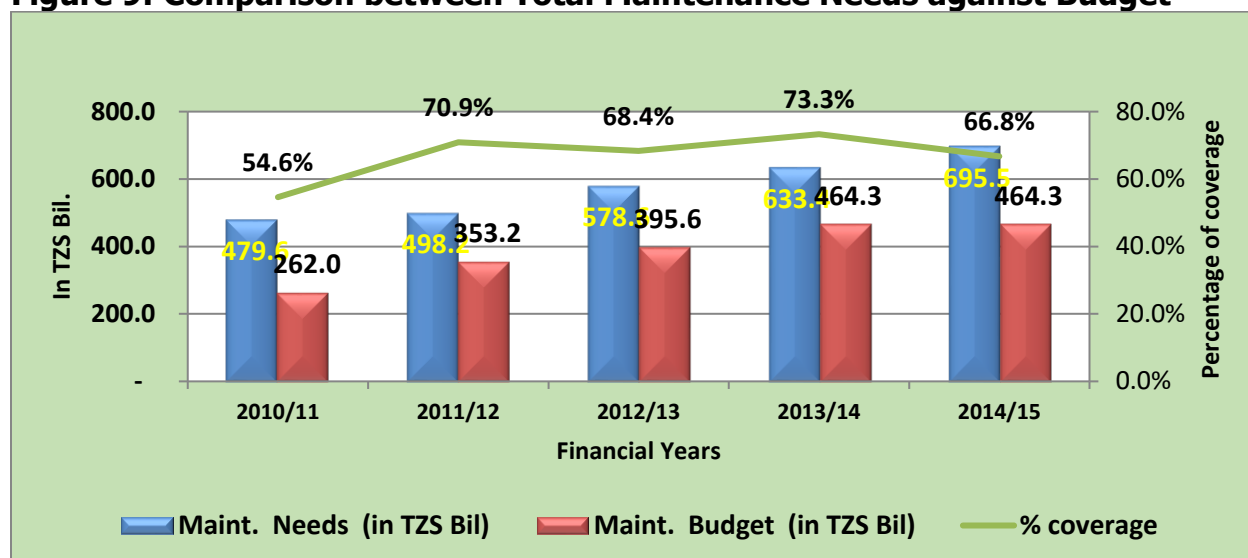
**Source:** Roads Fund Board, TANROADS and PMORALG

The percentage of coverage of periodic maintenance has been erratic without sufficing the total periodic maintenance requirements in any given year. In the year 2014/15, the percentage coverage rose to 55% from 35.7% in 2013/14 implying that the Periodic Maintenance coverage has improved compared to previous year.

### 1.10.5 Coverage of Total Maintenance Needs

This indicator assesses the level of overall asset preservation. It covers aspects of spot improvement, emergencies, bridge maintenance, supervision related costs, periodic and routine maintenance. **Figure 9** below compares total maintenance needs against allocated budget and its share of coverage over the past four years.

**Figure 9: Comparison between Total Maintenance Needs against Budget**



Source: PMORALG and TANROADS

**Figure 8** depicts that for the FY 2014/15, total maintenance needs rose from **TZS 633.4 billion** in FY 2013/14 to **TZS 695.5 billion** against a budget of **TZS 464.3 billion** making a coverage of only 66.8%.

### 1.10.6 Disbursed Funds Compared to Approved Budgets

The objective of this performance indicator is to assess Government commitment to ensure approved annual maintenance budgets is implemented. During the period under review, the collection budget was surpassed by 18.5% and the 100% disbursement to implementing agencies made for road works as shown in **table 9** below.

**Table 9: Comparison between Annual Disbursed Funds and Approved Budgets (TZS in bill)**

ACTIVITY/FY	2010/11	2011/12	2012/13	2013/14	2014/15
Annual Budget (B)	286.9	316.6	429.7	504.3	541.9
Annual Collection (c)	314.0	406.8	0.0	641.1	642.4
Disbursement (D)	287.7	336.0	429.7	504.3	541.9
<b>% D/B</b>	<b>100%</b>	<b>106%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Roads Fund Board

The percentage of disbursement over annual budget has been 100% over all the years including the FY 2014/15. This shows that the Government is committed to achieve the budget ceiling.

### 1.10.7 Performance Linked to MKUKUTA II

Performance linked to MKUKUTA are 30,000 km of national roads maintained annually and improvement in rural road condition.

In FY 2014/15 TANROADS maintained 25,414 km which is below the MKUKUTA II target of 30,000 km. While rural roads condition deteriorated by almost 1% as shown in **Table 10 and table 11** below

**Table 10: Annual Roads maintained (in km)**

AGENCY/FY	2010/11	2011/12	2012/13	2013/14	2014/15
TANROADS	30,316	30,380	32,343	30,321	25,414
PMORALG	16,124	19,587	30,402	30,575	20,375
<b>TOTAL</b>	<b>46,440</b>	<b>49,967</b>	<b>62,744</b>	<b>60,896</b>	<b>45,789</b>

Source: TANROADS & PMORALG

**Table 11: Percentage of roads in good and fair condition**

TYPE OF ROADS	2010/11	2011/12	2012/13	2013/14	2014/15
Trunk & Regional roads	88	85	86	88	86
District, Feeder & Urban Roads	59	56	60	57.1	56.7

Source: TANROADS & PMORALG

### 1.10.8 Risk Management and Internal Controls

Over sight role of efficient and effective RFB internal Control framework rests with RFB Board of Directors. During the year under review, Management was responsible to ensure that internal controls in place are effective and strong to ensure smooth operations and achievement of the Roads Fund Board Objectives.

Management put in place Risk Management System Framework in line with the guidelines issued by the Ministry of Finance. The internal controls including risk policy, risk register, operations manuals and the Internal Audit Unit work effectively and there was no case of fraud reported.

The key elements of the RFB internal control are as follows:-

**a) Delegation**

The overall objectives of the Board are agreed by the Board of Directors, which delegates the day-to-day operations to Management for execution. There is a clear organization structure, detailing lines of authority.

**b) Budgets**

Detailed annual budgets are prepared by the Management for review by the Technical and Finance Administration Committee Audit approved by the Board of Directors. The annual budgets are derived from the Board's approved strategic plan.

**c) Competence**

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

**d) Internal Audit**

An internal audit unit has been established in compliance with good corporate governance and growth of the Boards' activities. The unit assesses risk and review controls. The unit ensures that recommendations to improve controls are implemented by the Management.

**e) Risk Register**

The RFB management recognises that risk management is an integral part of sound management system. Therefore, it ensures that effective risk management is embedded in all management processes within the RFB. This has been achieved through the adoption of the Enterprise Wide Risk Management Systems (ERMS). The system enables management of the Board to effectively and efficiently deal with uncertainties and associated risks and opportunities. Review risk Register, Regulations and policies.

**f) Operations Manual**

These are operational guiding tools developed internally that describes in detail the processes and systems that Roads Fund Board staff uses in their daily operations.

### **1.10.9 Related Party Transactions**

Related party transactions for the year included remuneration of Directors and key management personnel for which during the year ending 30 June 2015 it is as shown below:

<b>ITEM</b>	<b>TZS</b>
Board expenses	400,885,000
Directors' fee	16,875,000
Management remuneration	414,297,000

### **1.10.10 Employees' Welfare**

#### **a) Management and Employees' Relationship**

The total employees of the Board during the year were 15. The relationship between the management and employees was good. There were no unresolved complaints received by management from the employees during the year. During the period in question, three employee were recruited and one employee retired.

#### **b) Staff Training**

Roads Fund Board has a training program in order to equip staff with the requisite technical knowledge and personnel skills so as to perform their jobs professionally. The Board assists staff who wants to pursue part time training, short or long term training as per training needs assessment.

#### **c) Staff Health**

All employees and their families were covered under approved Medical scheme as per staff regulation. Budget is set aside to cater for HIV/AIDS issue including to assist staff who are infected by HIV/AIDS disease. For Financial year that ended June 2015 there were no staff diagnosed with the disease.

#### **d) Financial Assistance to Staff**

Financial assistance is granted to staff when necessary. During the year under review, some employees were granted assistance in terms of loans and advances.

### **1.10.11 Solvency**

The Board of Directors confirms that applicable Standards have been properly followed and that the financial statements have been prepared on a going concern basis. The Board of Directors has reasonable expectation that the Roads Fund Board has adequate resources (human and capital) to continue operations in the near future.

### **1.10.12 Future Plans**

The Board's future plans are guided by the Strategic Plan 2014/15 – 2018/2019 which focuses on five Key Result Areas (KRA's) namely: HIV/AIDs infections reduced and support services improved, Enhance, sustain and effective implementation of the National anti-corruption strategy, Collection and disbursement of roads fund enhanced, Monitoring and evaluation of revenue collection and funds utilisation enhanced; and Institutional capacity to deliver services improved.

### **1.10.13 Post Balance Sheet Events**

The Directors are not aware of any significant matter or circumstances arising since the end of the financial year not otherwise dealt with in the financial statement which would significantly affect the financial position of the roads Fund Board and results of its operations as laid out in these financial statements.

### **1.10.14 Seriously Prejudicial**

During the year ended 30<sup>th</sup> June, 2015 there was no any serious prejudicial matters worth reporting.

### **1.10.15 Accounting Policies**

A summary of significant accounting policies is provided in Note 1 of the financial statements.

### **1.10.16 Capital Management**

The primary objective of the Board's capital management is to ensure that it maintains a strong assets base in order to support its objectives and maximize achievement of stakeholders' expectations. This objective remained intact during the financial year 2014/15. RFB capital includes Accumulated Surplus, Capital fund and Reserves.

### **1.10.17 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 as read together with the Public Audit Act No. 11 of 2008 and Section 5 (4) (k) of the Road and Fuels Tolls Act CAP 220.

### **1.10.18 Overview of the Board's Performance**

In FY 2014/15, the Board carried out its activities in accordance to the approved plan and budget for the year ending 30 June 2015. The core responsibilities of the Board include collection of revenue, disbursement of funds to implementing agencies and monitoring collection of revenue (collecting agencies) and fund utilisation by implementing agencies. The Board also provides strategic planning guidelines to the implementing agencies and enter into performance agreements with those implementing agencies. All these activities were done successfully.

The Board managed to disburse 100% fund available for allocation and performed preventive and technical audit in 21 regions. Furthermore, the Board signed performance agreements with the implementing agencies and monitored their implementation. Significant initiatives have been made in developing web-based Management information system for internal use and to be linked with implementing agencies for better monitoring. Board started construction of office building in Dodoma and staff houses of which at the end of the year the building was at the stage of completing first floor. The Board has also continued to nurture its major asset base – human resources by filling in vacant positions at different levels. Board staff attended various training programs, meetings, workshops and seminars. These initiatives have enhanced to equip staff with the necessary skills and knowledge to enable the Board to achieve its objectives.

#### **a) Financial Performance**

The financial year 2014/15 saw RFB making a surplus of TZS TZS.89.89 billion compared to a surplus of TZS.132.24 billion of 2013/14. The surplus resulted from a revenue of TZS.662.79 billion (TZS. 647.65 billion in 2013/14) respectively, against total operating expenses of TZS.572.89 billion (TZS. 514.41 billion in 2013/14). Table 12 below gives details of the financial performance during the year.

**Table 12: Financial Performance during the Year 2014/15**

DETAILS	AMOUNT
Opening Balance 01.07.2014	151,265,310,618
Add: Fund received during the year	662,987,637,457
Total Fund available during the year	814,252,948,075
Less: total expenditure for the year	570,087,287,329
<b>Balance carried down 30.06.2015</b>	<b>244,165,660,746</b>

**b) Key Performance Indicators**

RFB has developed strategic plan for the period covering 2014/15-2018/19. This is a rolling plan which will be reviewed annually and updated to ensure that it is still appropriate and valid for RFB to achieve its mission. Through the strategic plan, the Board is preparing activities for the year in line with it to ensure Board objectives are attained. Table 13 below shows some of the achievements of the RFB for the reporting period:

**Table 13: Achievements of the RBF for the Reporting Period**

S/N	Performance Indicators	Target (Plan)	Actual (Achievement)
1.	Increase Collection Roads & Fuel Tolls	10%	27%
2.	Disbursement of Fund to Implementing agencies	100%	100%
4.	Monitoring utilization of Fund for 21 regions	21	21
59	Meet Road Maintenance needs	100%	59%

Source: RFB

**1.10.19 Statement of the Governing Board Members' Responsibilities**

The Governing Board is required by the Roads Fund financial regulation keep the proper records of books of accounts, which should lead to the preparation of the financial statement. The Governing Board is responsible for safeguarding the assets of the Fund and take reasonable steps for prevention of fraud and other irregularities.

The Board is also required to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the Fund and Board's operations. The Governing Board confirms that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year that ended 30<sup>th</sup> June 2015. The Board confirm that International Public Sector Accounting Standards (IPSAS) on accrual basis have been followed.

The Board is of the opinion that the financial statement gives a true and fair view of the state of affairs of the RFB and its operations results. The Governing Board further accepts responsibility for the maintenance of the accounting records, which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal controls.

Nothing has come to the attention of the Governing Board to indicate that the RFB will not remain as a going concern for a foreseeable future from the date of this statement.

**BY ORDER OF THE BOARD**



.....  
**CHAIRMAN OF ROADS FUND BOARD**

**11<sup>th</sup> December 2017**

**DATE**

## **RFB Financial Statements and Auditors Opinion**

This part of the Audit is performed by the National audit office which conducted an audit of financial statements of Road Fund Board for the Financial Year and issued various professional opinions. The Financial Statements are presented together with Auditors' opinion.

## 2.0 AUDIT REPORT ON THE FINANCIAL STATEMENTS

To: The Roads Fund Manager,  
Roads Fund Board,  
P.O. Box 12497,  
DAR ES SALAAM.

RE: REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF ROADS FUND BOARD FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2015

### Introduction

I have audited the financial statements of the Roads Fund Board which comprises of the statement of Financial Position as at 30<sup>th</sup> June 2015, statement of Financial Performance, Statement of Charges in Equity and Cash flow Statement for the year than ended and a Summary of Significant Accounting Policies and Other Explanatory Information attached as Annexure I to this report.

### Management Responsibility for the financial statements

Management of Roads Fund Board is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Public Sector Accounting Standards (IPSAS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error as per the Statement of Management responsibility on the Financial Statements enclosed in this report as Annexure II.

### Responsibilities of the Controller and Auditor General

My responsibility as an Auditor is to express an opinion on these Financial Statements based on my audit. I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAI) and such other procedures I considered necessary in the circumstances. These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or

error. In making those risk assessments, I considered the internal control relevant to the entity's preparation and fair presentation of the financial statements 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 Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements

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

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

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

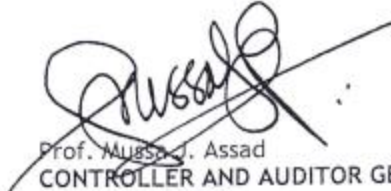
#### **Unqualified opinion**

In my opinion, the Financial Statements present fairly, in all material respects, the Financial Position of the Roads Fund Board as at 30<sup>th</sup> June 2015, and its Financial Performance and Cash Flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS) Accrual basis of Accounting.

#### **Report on Other Legal and Regulatory Requirements**

##### **Compliance with the Procurement Legislation**

In view of my responsibility on the procurement legislation, and taking into consideration the procurement transactions I have reviewed as part of this audit, I state that the ROADS FUND BOARD has generally complied with the requirements of the PPA No.7 of 2011 and its underlying Regulations of 2013

  
Prof. Mugsal J. Assad  
CONTROLLER AND AUDITOR GENERAL  
December, 2016



Copy: The Chief Secretary,  
State House,  
P.O. Box 9120,  
1 Barack Obama Road  
11400 DAR ES SALAAM.

Permanent Secretary and Paymaster General,  
Ministry of Finance,  
P.O. Box 9111,  
1 Madaraka Street  
11468 DAR ES SALAAM.

Hon. Chairman,  
Roads Fund Board,  
P.O. Box 12497,  
DAR ES SALAAM.

**STATEMENT OF THE GOVERNING BOARD OF DIRECTORS' RESPONSIBILITIES**

The Governing Board is required by the Roads fund financial regulation keep the proper records of books of accounts which should lead to the preparation of the financial statement. The Governing Board is responsible for safeguarding the assets of the Board and take reasonable steps for prevention of fraud and other irregularities.

The Board is also required to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the Board its operations and sources and applications of funds obtained during the period.

The Governing Board confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended 30<sup>th</sup> June 2015. The Board confirm that International Public Sector Accounting Standards (IPSAS) on accrual basis have been followed.

The Board is of the opinion that the financial statement gives a true and fair view of the state of affairs of the RFB and its operations results. The Governing Board further accept responsibility for the maintenance of the accounting records, which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal controls.


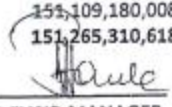
Nothing has come to the attention of the Governing Board to indicate the RFB will not remain a going concern for a foreseeable future from the date of this statement.

BY ORDER OF THE BOARD

  
.....  
CHAIRMAN OF ROAD FUND BOARD

30/09/2015  
.....  
DATE

**Roads Fund Board**  
**Statement of Financial Position**  
**For the year Ended June 30, 2015**

Description	June 2015	June 2014
<b>NON CURRENT ASSETS</b>		
Property, Plant & Equipment & Intangible (Note 23)	2,016,707,073	1,173,318,261
<b>CURRENT ASSETS</b>		
Cash and Cash equivalents (Note 24)	20,095,434,935	11,157,705,264
Roads Fund Receivables (Note 25)	486,989,550,497	239,657,774,518
Staff Safari & Other Imprest (Note 26)	516,886	43,869,266
Staff Loans (Note 27)	148,402,557	81,137,134
Other Receivables (Note 28)	112,363,630	244,369,852
<b>TOTAL CURRENT ASSETS</b>	<b>507,346,268,506</b>	<b>251,184,856,034</b>
<b>CURRENT LIABILITIES</b>		
Funds Due to Implementing Agencies (Note 29)	260,007,717,229	100,008,336,215
Other Provisions and Accruals (Note 30)	5,189,597,604	1,084,527,461
<b>TOTAL CURRENT LIABILITIES</b>	<b>265,197,314,833</b>	<b>101,092,863,676</b>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	<b>242,148,953,673</b>	<b>150,091,992,358</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>244,165,660,746</b>	<b>151,265,310,618</b>
<b>CAPITAL AND RESERVES</b>		
Contributed Capital (Note 31)	56,842,632	56,842,632
Development Partners Support (Note 32)	99,287,978	99,287,978
Accumulated Surplus (note 33)	244,009,530,137	151,109,180,008
<b>TOTAL CAPITAL AND RESERVES</b>	<b>244,165,660,746</b>	<b>151,265,310,618</b>
 CHAIRMAN	<u>30/09/2015</u> DATE	 ROAD FUND MANAGER

NOTES 1-39 FORM PART OF THESE ACCOUNTS

**Statement of Cash Flow For the year ended Ending June 30, 2015**

Description	June 2015	June 2014
<b>Cash flow from Operating Activities</b>		
<b>Receipts</b>		
Fuel Levy and Transit charges	392,634,300,000	503,634,466,135
Overloading fees	11,881,182,749	9,857,175,017
Interest received	588,939,182	511,658,875
Donor support	19,772,448,112	5,911,383,733
<b>Payments</b>		
Payments to Employees	(1,757,999,711)	(1,395,274,670)
Payments for Good and services supplied	(1,523,863,744)	(1,812,859,148)
Payment for Board Members and Board Meetings	(732,918,868)	(523,562,112)
Loans given to Employees	(103,136,827)	-
Payment in respect Bonde la Mpunga	(3,400,813,046)	(979,909,397)
Payment in respect of chalinze by Pass Paymnet to Barakuda	(109,429,231) (100,000,000)	(5,265,735,383)
Rehabilitation of Senga - Kakubilo - Nyabalasana	-	(406,249,000)
Transfer to Implementing agencies	(396,413,055,300)	(508,697,108,748)
Transfer in respect of DFID Funds	(10,824,892,306)	(5,911,383,733)
<b>Net Cash Flow from Operations</b>	<b>9,910,761,009</b>	<b>(5,077,398,431)</b>
<b>Cash flow from Investing Activities</b>		
Purchase of Plants and Equipments	(973,031,338)	(520,202,564)
<b>Net Cash Flow from Investing Activities</b>	<b>(973,031,338)</b>	<b>(520,202,564)</b>
Net Increase (Decrease) in Cash	8,937,729,671	(5,597,600,995)
Net Increase (Decrease) in Cash	8,937,729,671	(5,597,600,995)
Cash at Beginning of Period	11,157,705,264	16,755,306,260
Cash and Equivalents at End of Period	20,095,434,935	11,157,705,264

**NOTES 1-39 FORM PART OF THESE ACCOUNTS**

**Consolidated Statement of Comprehensive Income  
For the year Ended June 30, 2015**

Description	June 2015	June 2014
<b>Operating Revenue</b>		
Fuel Levy	623,175,176,771	626,016,642,507
Transit Charges	7,904,356,679	6,523,170,789
Overloading fees	11,348,406,232	8,690,585,402
Interest Income (Note 2)	88,939,182	11,658,875
Other Income (Note 3)	198,310,481	60,763,837
DFID Support Fund	19,772,448,112	5,911,383,733
<b>Total Operating Revenue</b>	<b>662,987,637,457</b>	<b>647,714,205,143</b>
<b>Disbursements to Implementing Agencies</b>		
Tanzania National Roads Agency	338,458,945,500	314,535,652,200
PM's office Regional Administration and local Govt	180,943,340,112	149,778,882,000
Special allocation-TANROADS (Note 4)	3,041,000,000	5,911,383,733
Special allocations-Councils (Note 5)	100,000,000	5,189,267,605
Special allocations-MoW (Note 6)	680,000,000	-
Ministry of Works	37,606,469,400	34,948,405,800
<b>Total Disbursements to Implementing Agencies</b>	<b>560,829,755,012</b>	<b>510,363,591,338</b>
<b>Roads Fund Board Administration Expenditure</b>		
Personal Emoluments (Note 8)	713,291,766	581,529,615
Employment Allowances (Note 9)	958,584,64	681,031,655
Employer contribution to Social security (Note 10)	14,286,900	11,834,900
Employer contribution to Staff welfare (note 11)	132,436,081	141,928,500
Comm, Infor, Supplies and Services (Note 12)	155,836,871	114,812,042

Office Supplies and Services (Note 13)	103,955,162	64,287,437
Rental Expenses (Note 14)	350,385,627	318,016,893
Training, Seminars & Consult meetings (Note 15)	82,183,704	60,056,350
Travel and Subsistence (Note 16)	112,070,500	102,000,266
Board Expenses and Consult Meetings (Note 17)	732,918,868	523,562,112
Other Goods & Services (Note 18)	3,500,673,085	72,866,500
Mtc of Vehicle & Office Equipments (Note 19)	53,652,626	62,627,404
Depreciations (Note 23)	129,642,525	176,626,421
Audit Expenses (Note 20)	1,359,484,472	1,103,266,778
Acquisition of Monitoring Equipments (Note 21)	380,000,000	-
Acquisition of Mobile Weighbridge (Note 22)	97,582,253	-
Office Building Expenses	-	5,535,000
Planning & Monitoring Expenses	366,846,132	250,798,679
Bank Charges	13,700,751	7,139,228
<b>Total Roads Fund Administration Expenditure</b>	<b>9,257,532,317</b>	<b>4,277,919,779</b>
<b>Total Roads Fund Operating Expenditure</b>	<b>570,087,287,329</b>	<b>514,641,511,117</b>
Surplus/Deficit from Operating Activities	92,900,350,128	133,072,694,027
Balance brought forward	151,109,180,009	18,036,485,982
Balance carried down	244,009,530,137	151,109,180,009

  
CHAIRMAN

30/09/2015  
DATE

  
ROAD FUND MANAGER

NOTES 1-39 FORM PART OF THESE ACCOUNTS

**Road Fund Board**  
**Road Fund Disbursement**  
**Statement of Comprehensive Income**  
**For the year Ended June 30, 2015**

Description	June 2015	June 2014
<b>Operating Revenue</b>		
Fuel Levy (Note 38)	623,175,176,771	626,016,642,507
Transit Charges (Note 38)	7,904,356,679	6,523,170,789
Overloading fees(Note 238)	11,348,406,232	8,690,585,402
Interest Income(Note 2)	588,939,182	511,658,875
DFID Support Fund(Note 38)	19,772,448,112	5,911,383,733
<b>Total Operating Revenue</b>	<b>662,789,326,976</b>	<b>647,653,441,306</b>
<b>Disbursements to Implementing Agencies</b>		
Tanzania National Roads Agency	338,458,945,500	314,535,652,200
PM's office Regional Administration and local Govt	180,943,340,112	155,690,265,733
Special allocation-TANROADS (Note 4)	3,041,000,000	5,189,267,605
Special allocations-Councils (Note 5)	100,000,000	-
Special allocations-MoW (Note 6)	680,000,000	-
Special allocations-RFB(Note 7)	7,404,000,000	-
Ministry of Works	37,606,469,400	34,948,405,800
Roads Fund Board Administration	4,664,223,273	5,043,060,001
<b>Total Operating Expenditure</b>	<b>572,897,978,285</b>	<b>515,406,651,339</b>
<b>Surplus/Deficit from Operating Activities</b>	<b>89,891,348,691</b>	<b>132,246,789,967</b>

  
 CHAIRMAN

30/09/2015  
 DATE

  
 ROAD FUND MANAGER

NOTES 1-39 FORM PART OF THESE ACCOUNTS

Road Fund Board  
Roads Fund Administration  
Statement of Comprehensive Income For the year Ended June 30, 2015

Description	June 2015	June 2014
Operating Revenue		5,043,060,000
Roads Fund Allocation (Note 3)	12,068,223,273	60,763,837
Other Income (Note 3)	198,310,481	
Total Operating Revenue	12,266,533,754	5,103,823,837
<b>Roads Fund Board Operating Expenditure</b>		
Personal Emoluments (Note 8)	713,291,766	581,529,615
Employment Allowances (Note 9)	897,984,964	659,981,655
Employer Contribution to Social security (note 10)	14,286,900	11,834,900
Employer Contribution to Staff welfare (Note 11)	132,436,081	141,928,500
Comm, Information, Supplies and Services (Note 12)	155,836,871	114,812,042
Office Supplies and Services (Note 13)	103,955,162	95,915,351
Rental Expenses (Note 14)	350,385,627	318,016,893
Training, Seminars and Consultative meetings ( Note 15)	82,183,704	60,056,350
Travel and Subsistence (Note 16)	112,070,500	102,000,266
Board Expenses and Consultative Meetings (Note 17)	732,918,868	523,562,112
Other Goods & Services (Note 18)	3,500,673,085	93,916,500
Maintenance of Vehicle & Office Equipments (Note 19)	53,622,656	30,999,490
Depreciations (Note 23)	129,642,525	176,626,421
Audit Expenses (Note 20)	1,359,484,472	1,103,266,778
Acquisition of Monitoring Equipments (Note 21)	380,000,000	-
Acquisition of Mobile Weighbridge (Note 22)	97,582,253	-
Office Building Expenses	-	5,535,000
Planning & Monitoring Expenses	366,846,132	250,798,679
Bank Charges	13,700,751	7,139,228
<b>Total Roads Fund Board Administration Operating Expenditure</b>	<b>9,257,532,317</b>	<b>4,277,919,779</b>
Surplus/Deficit from Operating Activities	3,009,001,437	825,904,058

  
CHAIRMAN

30/09/2015  
DATE

  
ROAD FUND MANAGER

NOTES 1-39 FORM PART OF THESE ACCOUNTS

**Road Fund Board  
Statement of Changes in Equity  
For the Twelve Months Ended June 30, 2015**

	Contributed Capital	Development Partners Support	Accumulated Surplus	Total
<b>At July 01, 2014</b>	56,842,632	99,287,978	151,109,180,008	151,265,310,618
Changes in accounting Policy	-	-	-	-
Prior year Adjustment	-	-	-	-
<b>Restated Balance</b>	56,842,632	99,287,978	151,109,180,008	151,265,310,618
<b>Changes in Equity for 2014/15</b>				
Revaluation Reserves	-	-	92,900,350,128	92,900,350,128
Surplus/(deficit) for the year	-	99,287,978	244,009,530,136	244,165,660,746
<b>At June 30, 2015</b>	56,842,632	99,287,978	244,009,530,136	244,165,660,746

<b>Road Fund Board</b>				
<b>Consolidated Statement Actual Vs Budget</b>				
<b>For the year Ended June 30, 2015</b>				
Description	Original Annual Budget	Revised Annual Budget	Actuals	Variance
<b>Operating Revenue</b>				
Fuel Levy	751,700,000,000	535,900,530,000	623,175,176,771	87,274,646,771
Transit Charges	6,000,000,000	6,000,000,000	7,904,356,679	1,904,356,679
Overloading fees	7,500,000,000	7,500,000,000	11,348,406,232	3,848,406,232
Interest Income (Note 2)			588,939,182	588,939,182
Other Income (Note 3)			198,310,481	198,310,481
DFID Support Fund	19,772,448,112	19,772,448,112	19,772,448,112	
<b>Total Operating Revenue</b>	<b>784,972,448,112</b>	<b>569,172,978,112</b>	<b>662,987,637,457</b>	<b>93,814,659,345</b>
<b>Disbursements to Implementing Agencies</b>				
Tanzania National Roads Agency	469,495,000,000	338,458,945,500	211,496,574,445	126,962,371,055
PM's office Regional Administration and local Govt	223,569,000,000	180,943,340,112	134,232,505,862	46,710,834,250
Special allocation-TANROADS (Note 4)		3,041,000,000	3,041,000,000	
Special allocations-Councils (Note 5)		100,000,000	100,000,000	
Special allocations-MoW (Note 6)		680,000,000	680,000,000	
Ministry of Works	52,166,000,000	37,606,469,400	23,405,423,689	14,201,045,711
<b>Total Disbursements to Implementing Agencies</b>	<b>745,230,000,000</b>	<b>560,829,755,012</b>	<b>372,955,503,996</b>	<b>187,874,251,016</b>
<b>Roads Fund Board Administration Expenditure</b>				
Basic Salaries	979,972,850	735,972,850 PE	697,219,236	38,753,614
Casual Labourers & Temporary Employees	37,500,000	37,500,000 PE	16,072,530	21,427,470
Leave Travel	65,236,500	65,236,500	50,072,750	15,163,750
Transport Allowances	234,851,400	234,851,400	163,292,388	71,559,013
Housing Allowances	109,823,400	109,823,400	89,300,188	20,523,213
Per Diems-Domestic	296,630,000	296,630,000	294,343,251	2,286,749
Extra Duty	43,920,000	83,920,000	79,085,000	4,835,000
Outfit Allowance	3,200,000	3,200,000	1,500,000	1,700,000
Utilities	50,640,000	50,640,000	47,240,000	3,400,000
Per diems-Foreign	174,358,800	174,358,800	173,151,388	1,207,412
NSSF Employer Contribution	24,356,200	24,356,200 PE	6,633,900	17,722,300
PPF-Employer Contribution	8,274,000	8,274,000 PE	6,595,350	1,678,650
Health Insurance Scheme	39,141,900	39,141,900 PE	26,216,144	12,925,756
Gratuity Provision	137,992,500	137,992,500 PE	106,219,938	31,772,563
LAPF Employer Contribution	2,000,000	2,000,000 PE	1,057,650	942,350
Telephone, Fax & Telegram	13,360,000	13,360,000	12,233,472	1,126,528
Postal Charges	1,300,000	1,300,000	1,280,163	19,837
Internet	26,769,600	27,769,600	27,644,386	125,214
Printing	79,700,000	79,700,000	76,426,200	3,273,800
Advertising	41,000,000	41,000,000	38,252,650	2,747,350
Periodicals & Newspapers	9,600,000	9,600,000	5,207,560	4,392,440

Annual Professional Fee	6,800,000	11,300,000	10,936,068	363,932
Food and Refreshments	20,500,000	20,500,000	15,303,680	5,196,320
Gifts, Prizes & Miscellaneous				
Donations	18,800,000	18,800,000	3,095,500	15,704,500
Computer Accessories supplies	10,600,000	10,600,000	10,121,351	478,650
Stationery Supplies	27,200,000	27,200,000	26,858,824	341,176
Office tea, sugar and drinking				
water	21,600,000	21,600,000	8,268,927	13,331,073
Rental Expenses-Office Building	323,769,600	323,769,600	311,910,601	11,858,999
Rent-Conference Facilities	31,000,000	31,000,000	24,078,710	6,921,290
Hire of Vehicles	18,000,000	18,000,000	14,396,316	3,603,684
Technical & Professional Training	80,300,000	82,300,000	82,183,704	116,296
Travelling-Local	29,050,000	29,050,000	28,975,000	75,000
Travelling-Foreign	47,025,000	84,025,000	83,095,500	929,500
Professional/Consultancy				
Services	4,488,100,000	4,488,100,000	3,485,881,734	1,002,218,266
Honorariums	61,400,000	61,400,000	60,600,000	800,000
Burial Expenses	7,000,000	7,000,000	700,000	6,300,000
Insurance	10,000,000	10,000,000	873,600	9,126,400
Bank Charges	19,200,000	19,200,000	13,700,751	5,499,249
Miscellaneous expenses	3,424,000	3,424,000	2,281,683	1,142,317
Consultative/Stakeholders				
Meetings	239,079,600	242,579,600	242,109,180	470,420
Tender Board Expenses	53,700,000	53,700,000	53,659,480	40,520
Board Members -Per diems				
Local	13,200,000	13,200,000	11,426,250	1,773,750
Board Members -Per diems				
Foreign	20,000,000	20,000,000	19,390,680	609,320
Audit Expenses	1,394,000,000	1,394,000,000	1,359,484,472	34,515,528
Board Meetings	346,080,000	373,080,000	372,876,410	203,590
Planning & Monitoring				
Expenses	368,575,000	368,575,000	366,846,132	1,728,868
Other Board Expenses	45,000,000	45,000,000	33,456,868	11,543,132
Service & Repair-Technical				
Equipments	33,836,600	33,836,600	29,984,965	3,851,635
Service & Repair-Vehicles &				
Mobile Equip	30,220,050	30,220,050	23,667,691	6,552,359
Diesel	42,113,000	42,113,000	35,099,321	7,013,679
Acquisition of Office Furniture	129,800,000	129,800,000	81,298,273	48,501,727
Acq. of Office Building	2,500,000,000	2,500,000,000	891,733,065	1,608,266,935
Acquisition of Equipments	300,000,000	380,000,000	380,000,000	
Acquisition of Mobile				
Weighbridge	50,000,000	99,000,000	97,582,253	1,417,747
Acquisition of Intangible Assets	101,000,000	101,000,000		101,000,000
<b>Total</b>	<b>13,270,000,000</b>	<b>13,270,000,000</b>	<b>10,100,921,130</b>	<b>3,169,078,870</b>

Refer (Note 39)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2015**

**1. GENERAL INFORMATION AND ACCOUNTING POLICIES**

The Roads Fund Board was established by the Road and Fuel Tolls ACT, Cap 220 to manage the Roads Fund that is dedicated to road maintenance in mainland Tanzania. The address of its registered office is:

**First floor, Mawasiliano Tower, 14414 Sam Najumo Road,  
P.O. Box, 12497, Dar Es Salaam.  
Tel: +255 22 2412016-7  
Fax: +255 22 2412019  
Email: roadfund@raha.com  
Website: [www.roadsfund.go.tz](http://www.roadsfund.go.tz).**

**2. SIGNIFICANT ACCOUNTING POLICIES**

The following are the Principal Accounting Policies have been consistently applied in all materials aspects in the preparation of the Roads Funds' Financial statements.

**2.1. Basis of accounting**

The Financial Statements have been prepared under the historical cost convention and in accordance with the International Public Sector Accounting Standards (IPSAS) on accrual basis.

**2.2. Property, plant and equipment , depreciation and Amortization**

Property, plant, equipment and intangible are initially recorded at cost and thereafter stated at historical cost less depreciation or amortization , less any cumulative assets impairment. Depreciation/ Amortization is calculated on a straight-line basis, at annual rates estimated to write off the assets over their expected useful lives at the following annual rates: -

S/No.	CLASS OF ASSET	RATE
1.	Office equipments (including computers & intangible assets)	37.5%
2.	Motor vehicles	25%
3.	Office Furniture and Fixtures	12.5%
4.	Building	2%

**2.3. Provision for Bad and Doubtful Debts**

Provision for bad and doubtful debts is made on those debts outstanding for more than two years as at the balance sheet date.

**2.4. Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at face value. For the purpose of cash flow statements cash and cash equivalents, comprise cash in hand, cash at bank and fixed deposits.

- 2.5. **Translation of currencies**  
Transactions in foreign Currencies are translated into Tanzania Shillings at the exchange rate ruling on the dates of transactions. Gain or losses on exchange is dealt with in the Income and Expenditure Account.
- 2.6. **Investments**  
Investments in shares are stated at fair value reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may be recoverable.
- 2.7. **Comparative figure**  
Where necessary, the comparative figures have been reclassified to conform to changes in presentation in the current year.

**3.0. NOTES TO THE FINANCIAL STATEMENT**

	June 2015	June 2014
<b>Note 2: Interest Income</b>		
FDR - AZANIA Bancorp	265,729,958	180,174,104
FDR - BANK M	66,643,626	45,213,234
FDR - Commercial bank of Africa	68,527,439	47,721,572
Disbursement Account (CRDB bank)	188,038,159	238,549,966
<b>Total Interest Income</b>	<b>588,939,182</b>	<b>511,658,875</b>
<b>Note 3: Other Income</b>		
Management Fee - DFID funded Projects	197,724,481	59,113,837
Miscellaneous Income	586,000	1,650,000
<b>Total Other Income</b>	<b>198,310,481</b>	<b>60,763,837</b>
<i>Increase in other incomes is due to managemnet fees provided by DFID to monitor their bottleneck funds to various Councils.</i>		
<b>Note 4: Special allocation - TANROADS</b>		
Release from Contingency fund for Operational activities due to delay of Receivng funds from MOF	3,041,000,000	5,189,267,605
<b>Note 5: Special allocation - Councils</b>		
Special Release for Barakuda Road	100,000,000	-
<b>Note 6: Special allocation - MoW</b>		
Release from Contingency fund for Operational activities due to delay of Receivng funds from MOF	680,000,000	-
<b>Note 7: Special allocation - RFB</b>		
Release from Contingency fund for Operational activities due to delay of Receivng funds from MOF	1,604,000,000	-

Construction of RFB office In Dodoma	2,500,000,000	
Purchase of LGA Kits	300,000,000	
Funds set aside for Research and development	500,000,000	
Road Inventory Study	2,000,000,000	
Support Installation of MIS at Ministry of Works	500,000,000	
<b>Total Special Allocation – RFB</b>	<b>7,404,000,000</b>	

**Note 8: Personal Emoluments**

Basic Salaries	697,219,236	576,256,865
Casual Labourers & Temporary Employees	16,072,530	5,272,750
<b>Total Personal Emoluments</b>	<b>713,291,766</b>	<b>581,529,615</b>

*Increase in Personal Emolument is due to change of salary scales and recruitment of new employees.*

**Note 9: Employment Allowances**

Leave Travel	50,072,750	47,023,750
Transport Allowances	163,292,388	169,771,975
Housing & Furniture Allowances	89,300,188	124,360,645
Per Diems-Domestic	294,343,251	138,295,372
Extra Duty	79,085,000	35,824,250
Outfit Allowance	1,500,000	1,350,000
Utilities	47,240,000	42,660,000
Per diems-Foreign	173,151,388	100,695,663
Honorariums	60,600,000	21,050,000
<b>Total Employment Allowances</b>	<b>958,584,964</b>	<b>681,031,655</b>

*Increase in Employment Allowance is due to change of salary scale, recruitment of new employees, new rates of extra duty allowances and exchange rate fluctuations*

**Note 10: Employer Contribution to Social Security**

NSSF Employer Contribution	6,633,900	6,318,000
PPF-Employer Contribution	6,595,350	5,516,900
LAPF Employer Contribution	1,057,650	-
<b>Total Employer Contribution to Social Security</b>	<b>14,286,900</b>	<b>11,834,900</b>

*Increase in Employer Contribution to Social Security is due to change of salary scale and recruitment of new employees.*

**Note 11: Employer Contribution to staff welfare**

Health Insurance Scheme	26,216,144	26,934,750
Gratuity Expense	106,219,938	114,993,750
<b>Total Employer Contribution to staff welfare</b>	<b>132,436,081</b>	<b>141,928,500</b>

**Note 12: Communication, Information,Supplies and service**

Telephone, Fax & Telegram	12,233,472	13,424,868
Postal Charges	1,280,163	250,500
Internet	27,644,386	15,071,537
Printing	76,426,200	63,044,000

Advertising	38,252,650	23,021,136
<b>Total Communication, Information,Supplies and service</b>	<b>155,836,871</b>	<b>114,812,042</b>
<i>Increase in Communication,Information, Supplies and services is due to Increase of Internet Band width, postage charges for International tenders and exchange rate fluctuations</i>		
<b>Note 13: Office Supplies and Services</b>		
Periodicals & Newspapers	5,207,560	2,758,140
Food and Refreshments	15,303,680	15,269,900
Office tea, sugar and drinking water	8,268,927	4,051,627
Gifts,Prizes & Miscellaneous Donations	3,095,500	8,417,546
Stationery Supplies	26,858,824	24,051,824
Computer Accessories supplies	10,121,351	9,738,400
Diesel	35,099,321	31,627,914
<b>Total Office Supplies and Services</b>	<b>103,955,162</b>	<b>95,915,351</b>
<b>Note 14: Rental expenses</b>		
Rental Expenses-Office Building	311,910,601	274,105,862
Rent-Conference Facilities	24,078,710	22,120,850
Hire of Vehicles	14,396,316	21,790,181
<b>Total Rental expenses</b>	<b>350,385,627</b>	<b>318,016,893</b>
<i>Increase in Rental Expenses is due to Exchange Rate Fluctuations</i>		
<b>Note 15: Training, seminars &amp; Consultative Meetings</b>		
Technical & Professional Training	82,183,704	60,056,350
<b>Total Training, seminars &amp; Consultative Meetings</b>	<b>82,183,704</b>	<b>60,056,350</b>
<i>Increase in Training, seminars &amp; Consultative Meetings is due to Exchange Rate Fluctuations</i>		
<b>Note 16: Travel and Subsistence</b>		
Travelling-Local	28,975,000	33,564,831
Travelling-Foreign	83,095,500	68,435,435
<b>Total Travel and Subsistence</b>	<b>112,070,000</b>	<b>102,000,266</b>
<i>Increase in Travel and Subsistence is due to Exchange Rate Fluctuations</i>		
<b>Note 17: Board Expenses and Consultative Meetings</b>		
Board Meetings	372,876,410	250,537,720
Board Members-Per diems Local	11,426,250	16,269,900
Board Members-Per diems Foreign	19,390,680	15,023,620
Other Board Expenses	33,456,868	16,453,125
Consultative/Stakeholders Meetings	242,109,180	192,276,747
Tender Board Expenses	53,659,480	33,001,000
<b>Total Board Meeting and Other Borad Expenses</b>	<b>732,918,868</b>	<b>523,562,112</b>

***Increase in Board Meeting and Other Borad Expenses  
is due to formation of a new committee for  
Employment Human Resource and Discipline***

<b>Note 18: Other Goods and Services</b>		
Professional/Consultancy Services	3,485,881,734	68,837,500
Insurance	873,600	
Miscellaneous expenses	2,281,683	1,159,000
Annual Professional Fee	10,936,068	2,170,000
Burial Expenses	700,000	700,000
<b>Total Other Goods and Services</b>	<b>3,500,673,085</b>	<b>72,866,500</b>

***Increase in Other Goods and Services is due to  
Increase activities under Professional/Consultancy  
Services including Road Inventory research, E-permit  
and Support for Reasearch and development which  
accounts a huge part of the total costs.***

<b>Note 19: Maintanance of Motor Vehicle and Office Equipments</b>		
Service & Repair-Technical Equipments	29,984,965	17,390,310
Service & Repair-Vehicles & Mobile Equip	23,667,691	13,609,180

<b>Total Maintanance of Motor Vehicle and Office Equipments</b>	<b>53,622,656</b>	<b>30,999,490</b>
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***Increase in Maintanance of Motor Vehicle and Office  
Equipments is due to Price Increase***

<b>Note 20: Audit Expenses</b>		
Audit Expenses	1,359,484,472	1,103,266,778

***Increase In Audit expense Is due to Inflation resulted  
from Technical audit contract. As part of monitoring  
activities , the technical audit is done in 21 region***

<b>Note 21: Acquisition of Monitoring Equipments</b>		
Acquisition of Monitoring Equipments	380,000,000	

***Increase in Acquisition of Monitoring Equipments:  
RFB motives to enhancing LGA's performance,these  
equipments to be given to LGA's inorder to assist  
them in their works.***

<b>Note 22: Acquisition of Mobile Weighbridge</b>		
Acquisition of Mobile Weighbridge		

***Increase In Acquisition of Mobile weighbridge: RFB  
motives to reduce road damages by suprise checks  
,the equipmnets to be given to TANROADS inorder to  
assist them in their works.***

97,582,253

**Road Fund Board**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2014**

Details of Note 23 - Movement schedule for Property, Plant, Equipment & Intangible asset

PARTICULARS	LAND	WIP for Building	M/VEHICLES	OFFICE EQUIPMENTS	OFFICE FURNITURE & FITTINGS	INTANGIBLE ASSET	TOTAL
Cost as at 01.07.2014	616,150,012	180,971,300	448,488,684	234,062,246	379,561,209	16,400,000	1,875,633,450
Additions during the year	-	891,733,065	-	81,298,272	-	-	973,031,337
Disposal during the year	-	-	-	-	-	-	-
Cost as at 30.06.2015	616,150,012	1,072,704,365	448,488,684	315,360,518	379,561,209	16,400,000	2,848,664,788
Acc. Depreciation & Amortization as at 01.07.2014	-	-	289,403,914	197,246,882	220,664,394	-	702,315,190
Depreciation & Amortization charge for the year	-	-	70,610,225	6,518,248	46,364,053	6,150,000	129,642,525
Depreciation on disposal for the year	-	-	-	-	-	-	-
Acc. Depreciation & Amortization as at 30.06.2015	-	-	360,014,139	198,765,130	267,028,447	6,150,000	831,957,715
Net Book Value as at 01.07.2014	616,150,012	180,971,300	159,084,770	41,815,364	158,896,815	16,400,000	1,173,318,261
Net Book Value as at 30.06.2015	616,150,012	1,072,704,365	88,474,545	116,595,388	112,532,762	10,250,000	2,016,707,073

Note: - The RFB is constructing the office building in Dodoma as at 30.06.2015 the constructions costs stands at Tshs 891,733,065.  
 - Out the above total asset, there is asset amounting to **Tshs 148,006,864** which are still in the process of being disposed.

<b>Note 24: Cash and Cash Equivalents</b>		
Administration Cash A/C	58,187,598	1,138,186,624
Disbursement Cash Account	16,596,366,313	5,618,031,406
Fixed Deposit Cash Account	3,057,760,921	3,273,108,909
Azania Administration Cash A/C	382,120,103.66	
Petty Cash	1,000,000	1,000,000
Cash Clearing		1,127,378,325
<b>Total Cash and Cash Equivalents</b>	<b>20,095,434,935</b>	<b>11,157,705,264</b>
<b>Note 25: Roads Fund Receivables</b>		
BOT Road Toll Cash Collection A/C	468,598,313,709	219,154,526,740
TRA Control	2,079,524,193	17,817,999,416
Tanroads Control	496,535,863	444,383,839
TRA Transit Charges Control	6,980,786,227	2,240,864,524
Funds Receivable RFB Administration	8,834,390,503.83	
<b>Total Roads Fund Receivables</b>	<b>486,989,550,497</b>	<b>239,657,774,518</b>
<i>These are funds collected but not transferred to RFB disbursement and administration bank account</i>		
<b>Note 26: Safari Imprest &amp; Other Imprest</b>		
Staff Imprest	516,886	43,869,766
<b>Total Staff Imprest</b>	<b>516,886</b>	<b>43,869,766</b>
<b>Note 27: Staff Loans</b>		
staff Loans	148,402,557	81,137,134
<b>Total staff Loans</b>	<b>148,402,557</b>	<b>81,137,134</b>
<b>Note 28: Other Receivables</b>		
Prepaid Health Insurance Scheme	40,977,135	29,882,110
Prepaid Office Rent		83,463,962
Prepaid Service of office Equipments	11,082,166	5,815,694
Prepaid Service of Motorvehicle security system and Fuel	5,414,453	1,291,719
Internet service	118,700	283,283
Prepaid contribution to social security	60,000	-
Prepaid Training		3,400,042
Roads Classification Expenses	53,945,858	58,752,250
PIARC Conference Expenses	765,318	61,480,792
<b>Total Other Receivables</b>	<b>112,363,630</b>	<b>244,369,851</b>
<b>Note 29: Funds Due to Implementing Agencies</b>		
Funds Due-Tanroads	170,116,602,188	72,405,593,832
Funds Due-PORALG	7,269,222,867	7,269,222,867
Funds Due-MOW	18,499,866,511	7,264,507,256
Funds Due-RFB Administration	8,034,390,505	961,104,379
Funds Due to Councils	56,087,635,158	12,107,907,881

	260,007,717,229	100,008,336,215
<p>These funds to be distributed to to implementing agencies &amp; RFB to reach the 100% of the allocated budget for the year 2014/15. When fund is received ( refer Note25 fund to be received).</p>		
<p><b>Note 30: Other Provisions and Acruals</b></p>		
Office water	101,383	148,954
Leave travel assistance	4,598,000	4,520,833
ARMFA membership fees	620,000	-
IFMS support	1,982,150	1,982,150
TTCL Bills	815,502	982,137
TPA Link	1,256,015	1,256,015
Audit expenses	1,036,820,618	839,227,797
Advertising	25,706,315	8,397,082
Annual report printing expenses	71,213,749	51,538,749
Tender related services	12,575,000	-
Honorarium	30,000,000	15,000,000
Monitoring expenses	56,800,000	-
Travelling on duty	10,999,715	2,394,059
Consultancy service	3,403,122,603	154,668,785
Office Rent	45,286,092	-
Training expenses	7,150,900	1,617,500
Contribution to welfares schemes	2,164,878	-
Land rent expense	555,930	1,785,000
Newspaper and Periodics		435,400
Food and refreshments	246,500	573,000
Equipment fro Implementing agenxies	477,582,253	
<b>Total Other Provislons and Acruals</b>	<b>5,189,597,604</b>	<b>1,084,527,461</b>
<p><b>Note 31: Contributed Capital</b></p>		
Net Assets from Ministry responsible for Road as start of RFB	56,842,632	56,842,632
Addition for the year		
<b>Total Contributed Capital</b>		
<p><b>Note 32: Development Partners Support</b></p>		
Opening balance	99,287,978	99,287,978
Addition for the Year		
<b>Total Development Support</b>		
<p><b>Note 33: Accumulated Surplus</b></p>		
Opening balance as at beggining of the financial Year	151,109,180,009	18,036,485,983
Add: Surplus/Deficit for the year	92,900,350,128	133,072,694,027
<b>Total Accumulated Surplus</b>	<b>244,009,530,137</b>	<b>151,109,180,009</b>

**Note 34: Employee benefits**

All benefit are short term  
(Note 8 to 11)

1,757,999,711

1,395,274,670

Health Insurance expense represents amortised  
prepayments(Note 28) while gratuity is provided  
for payment on expiry of employment contract  
( Provision for employee benefits)

**Note 35: Contigent liability**

There was no contigent liability as at the end  
of this financial year

**Note 36: Capital Commitment**

There was no capital commitment contracted and  
outstanding as at the end of this financial year

**Note 37: RFB Income**

Fuel Levy

623,175,176,771

26,016,642,507

Transit Charges

7,904,356,679

6,523,170,789

Overloading fees

11,348,406,232

8,690,585,402

DFID Support Fund

19,772,448,112

5,911,383,733

662,200,387,794

647,141,782,431

RFB sources of revenue is Fuel levy,  
transit charges, overloading fees and Donor  
Support. FY 2014/15 , RFB collected a total of  
Tshs 662,200,387,794 as indicated above.

**Note 38: RFB Income**

Roads Fund Allocation

12,068,223,273

5,043,060,000

This is the fund allocated to RFB  
for administration activities .

**Note 39: Budget Performance**

Description	Original Annual Budget	Revised Annual Budget	Actuals	Variance
Total Operating Revenue	784,972,448,112	569,172,978,112	662,987,637,457	93,814,659,345

Original Budget differ with revised due to the Fact that, Ministry of finance directed RFB to reduce Its budget by 27.9 %

Total Disbursements to Implementing Agencies	745,230,000,000	560,829,755,012	372,955,503,996	187,874,251,016
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Fund received by RFB from MoF for disbursement is less by 33% . Effort is being done to ensure the entire Revised budget is attained since implementing agencies have already committed 100% the allocated fund.

**Roads Fund Board Administration Expenditure**

Professional/Consultancy Services	4,488,100,000	4,488,100,000	3,485,881,734	1,002,218,266
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The saving under Professional/ Consultancy services is because, RFB planned to do study on broadening revenue base, by the end of the year the procurement process was on going. The study is financed by DFID and the fund shall be remitted to RFB once the contract is signed.

Acq. of Office Building	2,500,000,000	2,500,000,000	891,733,065	1,608,266,935
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The saving under construction of RFB building in Dodoma is because the payment is done on installments depending on the performance of the contractor and agreed schedule of implementation.



## **PART TWO: PERFORMANCE OF THE MINISTRY OF WORKS**

# PART TWO: PERFORMANCE OF THE MINISTRY OF WORKS

## 2.1 INTRODUCTION

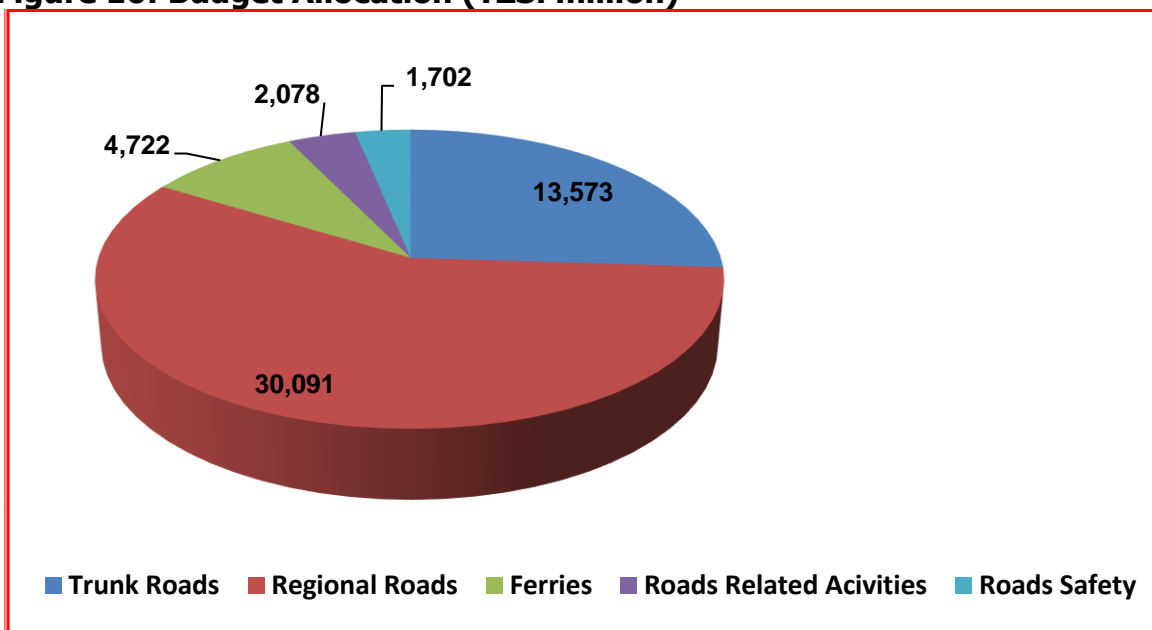
This part presents activities performed by the MoW in FY 2014/15. It highlights physical and financial status of implementation on trunk and regional roads projects and other road related activities funded by the Roads Fund. The activities implemented were those stipulated in the Performance Agreement signed between MoW and the Roads Fund Board.

The Ministry receives funds from the Roads Fund for financing development projects which amounts to 10% of the budget earmarked for Trunk and Regional roads. This is in accordance with Section 4 (4) of the Roads and Fuel Tolls Act, CAP 220 in respect to national roads.

## 2.2 ANNUAL BUDGET

During Financial Year 2014/15, the Ministry was allocated a budget of **TZS. 52,166.1 million** for development projects. The operational plan covered projects related to trunk and regional roads, ferries, road safety and environment activities, roads related administrative activities and cross-cutting issues as shown in **Figure 10** below.

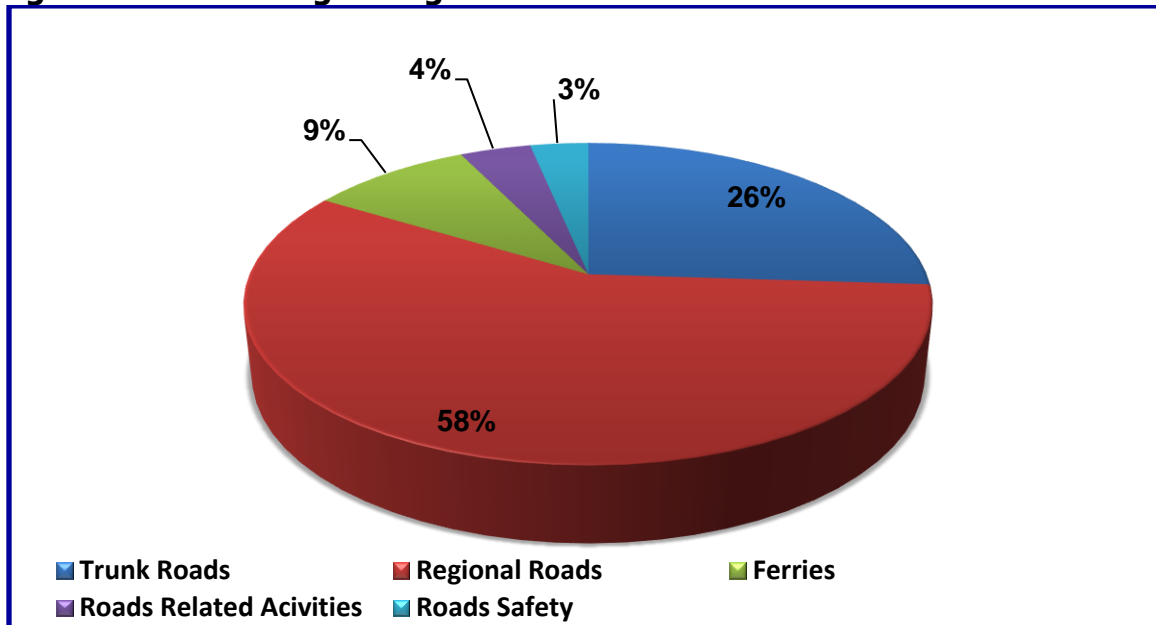
**Figure 10: Budget Allocation (TZS. million)**



Source: MoW & RFB

In terms of percentage allocation to the various activities, the budget was allocated as shown in **Figure 11** below:

**Figure 11: Percentage Budget Allocation**

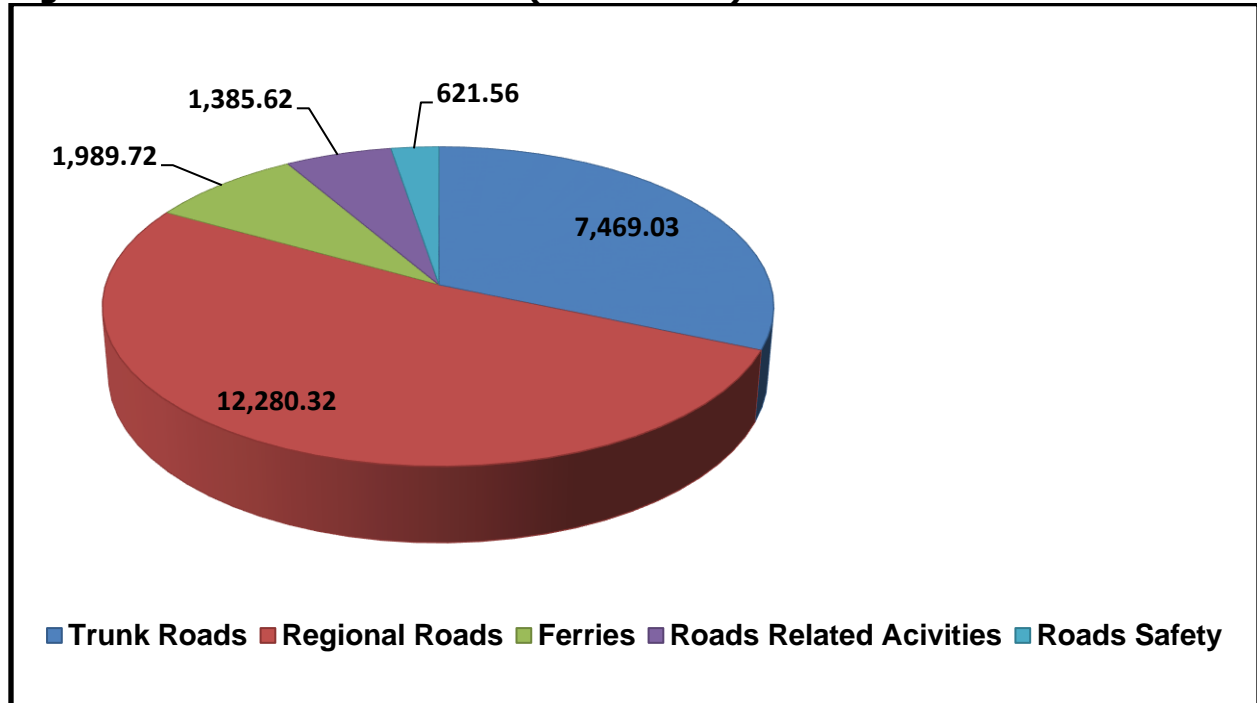


Source: MoW & RFB

### 2.3 OVERALL PHYSICAL AND FINANCIAL PERFORMANCE

Up to 30th June 2015, the amount released to the Ministry was **TZS. 23,746.25 million** equivalent to **45.5%** of the annual budget and was allocated to the various activities as shown in **Figure 12** below.

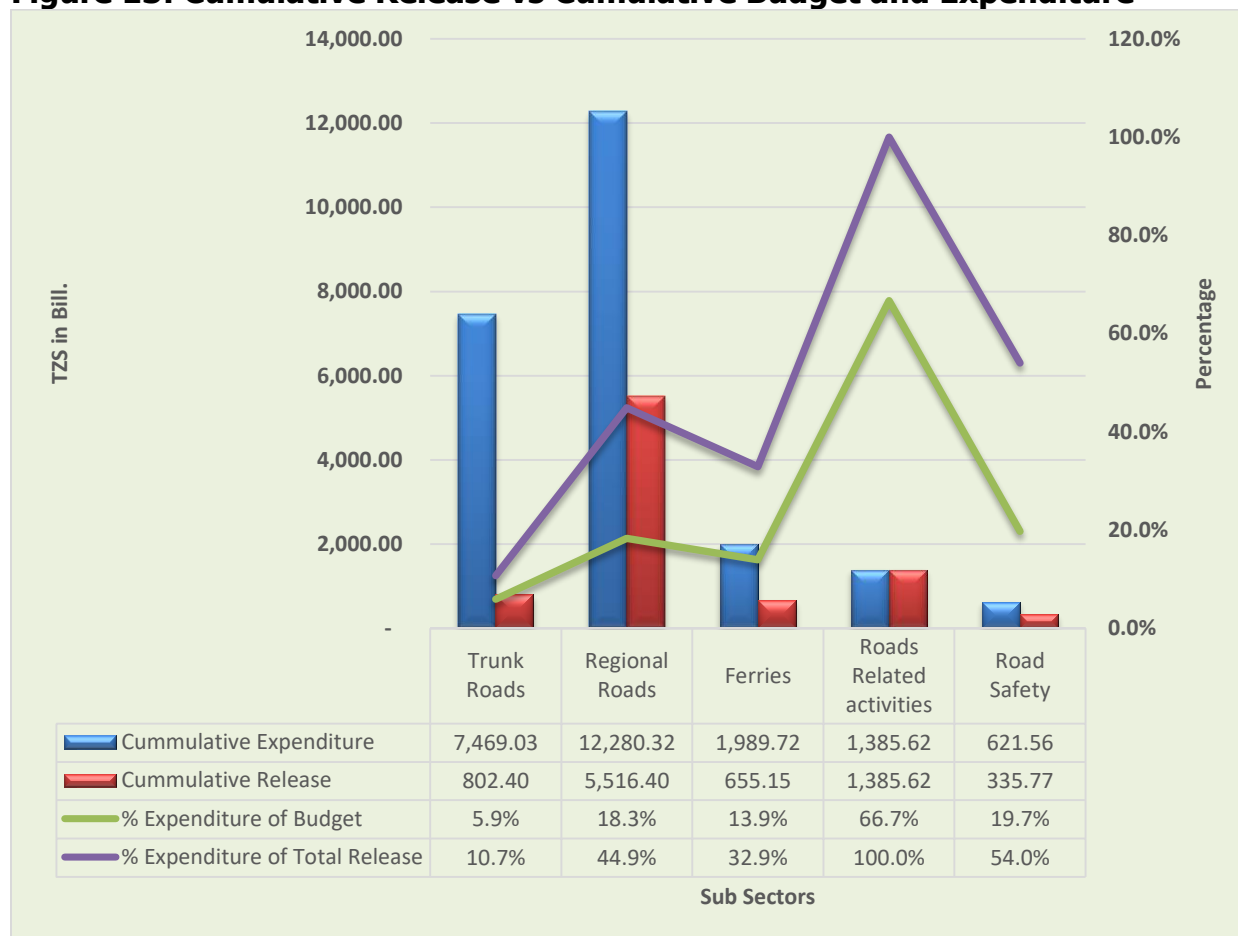
**Figure 12: Cumulative Releases (TZS. million)**



Source: MoW & RFB

The total cumulative expenditure up to 30th June, 2015 was **TZS. 8,695.34 million** which is equivalent to **16.7%** of the annual budget or **36.6%** of total release. Expenditure for the different activities compared to their corresponding budgets and expenditure are as shown in **Figure 13** below.

**Figure 13: Cumulative Release vs Cumulative Budget and Expenditure**



Source: MoW & RFB

It is seen from **Fig 13** above that expenditure compared to total release was low for Trunk Roads at 10.7% and highest for Roads Related Activities at 100%. Expenditure on Regional Roads, Ferries and Road Safety were moderate at between 30 to 55%.

Low expenditures is due to delay of procurement processes in many projects which was caused by late release of funds. The operational plan and implementation is elaborated hereunder.

## 2.4 TRUNK ROADS PROJECTS

During the year under review, a total of **TZS. 13,572.93 million** were allocated for Trunk roads projects. The planned activities included:

- (i) Feasibility Studies and Detailed Design for 18 roads projects and two (2) bridges;
- (ii) Road flyovers compensation for TAZARA and Ubungu junctions;
- (iii) Upgrading for decongestion of urban roads in Dar es Salaam City;
- (iv) Training and Technical Assistance to TANROADS;

- (v) Updating of Economic Evaluation Manuals for TANROADS;
- (vi) Review and preparation of Standards and Specification;
- (vii) Purchase of laboratory equipment for Central Materials Laboratory (CML);and
- (viii) Monitoring and Evaluation and other road related activities.

As of 30<sup>th</sup> June 2015, the Ministry received **TZS. 7,469.03 million** in respect of trunk roads and had spent only **TZS. 802.40million**. The expenditure was equivalent to **10.7%** of the amount received. The low expenditure is attributed to delay in procurement as a result of late receipt of funds. The physical performance of the trunk roads projects for feasibility studies and detailed designs were at different stages of implementation as shown in **Table 14**.

## **2.5 REGIONAL ROADS PROJECTS**

During the year under review, a total of **TZS. 30,090.837 million** were allocated for Regional Roads projects. The planned activities were:

- (i) Rehabilitation/upgrading of 559.2 km to gravel standard;
- (ii) Rehabilitation of 16.4 km to bitumen standard;
- (iii) Construction of 14 bridges;
- (iv) Carrying out Feasibility Study and Detailed Design of 936.4 km of roads;
- (v) Training for roads development and maintenance programs as implemented by Appropriate Transfer Technology Institute (ATTI);
- (vi) Training for roads development and maintenance programs at Morogoro Works Training Institute (MWTI); and
- (vii) Training conducted by Women Participation Activities in the Ministry.

Cumulatively **TZS. 12,280.32 million** were released as of 30<sup>th</sup> June 2015. Total expenditure was **TZS. 5,516.40 million** equivalent to 18.3% percent of the budget or 44.9% of the total release. **Table 15** shows in detail the relevant projects, financial and physical plans and their performance during the entire period.

## **2.6 FERRIES PROJECTS**

In the financial year 2014/15, a total of **TZS. 4,722.37 million** was allocated to implement the following activities:

- (i) Procurement of new ferries for Pangani and Dar es Salaam-Bagamoyo; construction of three jetties at Magogoni, Jangwani Beach and Rungwe Oceanic stations at **TZS. 3,138.73 million**;
- (ii) Rehabilitation of 24 Ferries at **TZS. 1,348.64 million**; and
- (iii) Monitoring and evaluation of ferry project, **TZS. 235.0 million**.

As of 30<sup>th</sup> June 2015, cumulative funds released was **TZS. 1,989.72 million** and **TZS. 655.15 million** equivalents to 13.9% of the allocated budget or 32.9% of the cumulative release was spent. **Table 16** shows in detail projects financial and physical plans and its performance during the entire period.

## **2.7 ROADS RELATED ADMINISTRATIVE ACTIVITIES**

A total of **TZS. 2,078.33 million** was allocated to facilitate implementation of roads related Administrative Activities including the following:

- (i) Coordinating and participating in meetings related to road sub-sector;
- (ii) Budget and action plan preparations; and
- (iii) Sectoral statistics, financial and audit reports.

Up to 30<sup>th</sup> June, 2015 total released was **TZS. 1,385.62 million** while expenditure was **TZS. 1,385.62 million** equivalents to 100.0% of funds release or 66.7% of the budget. **Table 17** shows in detail projects financial and physical plans and its performance during the entire period.

## **2.8 ROADS SAFETY AND ENVIRONMENT ACTIVITIES**

During the period under review, the Roads Safety and Environment Activities were allocated **TZS. 1,701.63 million**. The planned activities included:

- (i) Purchase and installation of CCTV cameras to 26 weighbridge stations;
- (ii) Construct prototype resting station;
- (iii) Support to environmental management project in the road sector;
- (iv) Skill development on road safety profession;
- (v) Promote through pilot projects and conduct training for weigh in motion weighbridges and road damage control sensors;
- (vi) Monitoring and evaluation of road and vehicle safety; and

(vii) Procurement and installation of Electronic Permit System for Abnormal Load.

During the period under review, a total of **TZS. 621.56 million** was released for implementation of various roads safety and environment activities. The total expenditure was **TZS. 335.77 million** which was 54.0% of the released funds or 19.7% of the allocated budget. **Table 18** shows summary of physical and financial performance.

## **2.9 IMPLEMENTATION CHALLENGES AND MEASURES**

In the FY 2014/15, the main challenges which faced by the Ministry on implementation of various activities were:

- (i) Insufficient funds released from the Roads Fund Board. Funds released by the Roads Fund Board to Ministry of Works were approximately to 46% against the annual planned budget.
- (ii) Delays in finalising procurement of contractors for rehabilitation of regional roads projects and consultants for undertaking Feasibility Study and Detailed Design of trunk roads projects.

## **3.10 WAY FORWARD**

In order to address the above mentioned challenges,

- (i) Annual Operational Plan for FY 2014/15 was revised in line with available funds.
- (ii) The Ministry engaged with Attorney General Chambers' Office to find alternative way to shorten contract vetting process.
- (iii) The Ministry in collaboration with Roads Fund Board continued to make follow-ups on timely transfer of funds from the Ministry of Finance.

**Table 14: Trunk Roads Projects Funded from Roads Fund Budget for FY 2014/15 (IN TZS)**

S/N	PROJECT NAME	ANNUAL PLAN	ANNUAL ACHIEVEMENT	APPROVED BUDGET	FUNDS RELEASED	EXPENDITURE	REMARKS
1	Bagamoyo-Saadani-Tanga (FS & DD)	Completion to Final Design Report	The Consultant is currently preparing a revised Final Design Report which incorporates experts' comments	1,488,143,995.05	794,104,210.82		Project on track
2	Sumbawanga-Matai-Kasanga Port/Matai-Kasesya Border (DD)	Completion to Final Design Report	The Consultant has submitted the draft final reports which is under review	100,000,000.00	59,035,458.75		Project on track
3	Training & Technical Assistance - TANROADS	Provision of Training and Technical Assistance	A two weeks course was conducted to two staff in project and Programme Management, Monitoring and Evaluation	100,000,000.00	42,745,604.44		Not achieved as planned
4	Ifakara - Mahenge (FS & DD)	Completion to Final Feasibility Study report	Draft feasibility study and preliminary design reports was received and is being reviewed by TANROADS	200,000,000.00	79,156,773.23		Not achieved as planned
6	<b>Mpemba - Isongole (Tanzania/Malawi) (FS &amp; DD)</b>	<b>Completion Final RAP report</b>	<b>Completed</b>	<b>100,000,000.00</b>	<b>120,462,471.99</b>		<b>Completed</b>
7	Omugakorongo - Kigarama - Murongo (FS & DD)	Completion to Final Feasibility Report	The draft feasibility report was submitted as planned and is currently under review by TANROADS	300,000,000.00	146,667,674.87		The study progressed as planned

<b>8</b>	Review and Preparation of Standard Specifications	Completion of specifications	The Draft Standard Specifications for Bridge Works was received, reviewed and comments raised	100,000,000.00	102,400,000.41	4,488,592.39	Stakeholders' meeting to discuss the draft Report did not take place.
<b>9</b>	Kyaka - Bugene - Kasulo/Benako-Bugene-Kasulo Section (FS & DD)	Completion to Final Feasibility Report	The Feasibility Study and Preliminary design assignment commenced in the 4 <sup>th</sup> quarter	300,000,000.00	128,771,559.08		Project on track
<b>10</b>	Handeni - Kiberashi - Kijungu - Kibaya - Njoro - Olboloti - Mrijo Chini - Dalai - Bicha - Chambalo - Chemba - Kwamtoro - Singida (FS & DD)	Completion to Final Design Report	Detailed Design is on going				The liquidated damages will be imposed to the Consultant's.
<b>11</b>	Upgrading to DSD Mbezi - Malambamawili - Kinyerezi road	Completion to 2.5km wearing course	Works are ongoing. The overall progress is 22%	700,000,000.00	248,777,057.94		The project is on track
<b>12</b>	Musoma - Makojo - Busekela road (FS & DD)	Completion to Inception Report	The Consultant for the services has been procured and the Consultant has submitted the Inception Report as planned	400,000,000.00	125,232,743.40		The project on track
<b>13</b>	New Wami Bridge (FS & DD)	Completion to Final Design Report	The Final feasibility study and preliminary design reports were received and reviewed by TANROADS	300,000,000.00	144,777,214.87		The project is on track
<b>14</b>	Kidatu - Ifakara - Lupilo - Malinyi - Londo - Lumecha/Songea (FS & DD)	Completion to Final Design Report	The Final feasibility study and preliminary design reports were received and reviewed	50,000,000.00	22,434,447.23		The project is on track

<b>15</b>	Road Flyovers Compensation for Tazara and Ubungo	Completion to Compensation	The final Detailed Design under JICA financing for TAZARA junction was completed in FY 2013/14. The Consultant for the Ubungo Intersection submitted the revised final Detailed Design reports	100,000,000.00	53,362,054.58		Verification of RAP/valuation report was ongoing therefore compensation of public utilities at Ubungo Junction was not done
<b>16</b>	Mtwara - Newala - Masasi Including Mwiti Bridge (FS & DD)	Completion to Final Feasibility Study Report	Final Feasibility Study. Field investigations for preparation of the draft Detailed Design and tender documents are in progress	300,000,000.00	132,929,312.04		The project is on track
<b>17</b>	Kolandoto -Lalago - Mwanhuzi - Mwanhuzi - Matala - Oldeani Junction (FS & DD)	Completion to Final Feasibility Study Report	The draft feasibility study report submitted	700,000,000.00	297,166,809.91		The project is on track
<b>18</b>	Environmental Impact Assessment (EIA) of Rusumo Bridge in Kagera Region	No Activity planned this year	NIL	-	150,000,000.00		Debt repayment
<b>19</b>	Central Materials Laboratory (CML)	completion procurement of equipment	No activity was planned in the fourth quarter because the procurement process of CML equipment was scheduled to be completed in the 3rd quarter.	526,000,000.00	523,226,473.47		Procurement process is in progress
<b>21</b>	Monitoring and Evaluation of Strategic Plan, Development &	Projects Monitored and Evaluated	The planned activities were not performed as funds were not released.	400,000,000.00	148,107,580.55		Not achieved. No funds were released

	Maintenance Projects – TANROADS						
<b>22</b>	Monitoring and Other Related Activities (MoW) including purchase of one (1) vehicle for Monitoring and Evaluation - MoW	Projects Monitored	Monitoring was conducted as planned.	900,000,000.00	797,910,000.00	797,910,000.00	Done
<b>23</b>	Mwanangwa - Misasi - Salawe - Kahama (FS & DD)	Completion to Final Design Report	The Consultant has submitted the Draft Feasibility study report	200,000,000.00	99,229,571.71		The project is on track
<b>24</b>	Itoni - Ludewa - Manda (FS & DD)	Completion to Draft Feasibility Report	The Consultant has submitted the final Feasibility Study and Preliminary Design reports and tender documents for Lot 2: Lusitu – Mawengi Section (50km).	1,400,000,000.00	529,813,950.53		The project is on track
<b>25</b>	Arusha - Kibaya - Kongwa (FS & DD)	Completion to Final Feasibility Report	The procurement of the Consultant for the assignment still ongoing	250,610,000.00	90,309,347.36		The Study has not yet commenced
<b>26</b>	Nyamirembe Port-Katoke(FS & DD)	Completion to Draft Feasibility Study Report	The procurement of the Consultant for the assignment is in progress	150,000,000.00	46,692,278.76		The Study has not yet commenced
<b>27</b>	Provision of Escape for Long Steep Grades and Climbing Lanes along Major Trunk Roads - FS & DD	Completion to Final Design Report	The procurement of the Consultants for the assignment still ongoing.	150,000,000.00	46,692,278.76		Under procurement
<b>28</b>	Updating of Design Manual (1989) and	Completion to Final Manuals	The final economic evaluation manual was received in the 4 <sup>th</sup> Quarter of	300,000,000.00	144,777,214.87		Achieved as planned

	Economic Analysis Manuals		FY 2014/15 and it is operational				
<b>29</b>	Supervision of Feasibility Studies and Detailed Design of Trunk and Regional Roads, preparation of Annual Budget estimates and Business Plan for TANROADS	Quality of Reports	Activities not performed as funds were not released from Road Fund.	175,000,000.00	71,740,211.		Not achieved. No funds were released
<b>30</b>	Review of TANROADS Performance Framework and recommend measures to be undertaken to improve performance based on high level business process mapping - BPM)	Quality of Reports	Activities not performed as funds were not released from Road Fund.	175,000,000.00	54,789,325.22		Not achieved. No funds were released
<b>31</b>	Review of TANROADS Vehicle Operating Costs (VOC) and training on HDM4	Completion to Inception Report		175,000,000.00	54,789,325.22		Implementation of the study will depend on the recommendation of the Business Mapping Study financed by EU
<b>32</b>	Computer Software for design of road projects and highway	2 no for design and economic software and training of 4 staff	Procurement process is in progress	175,000,000.00	63,675,252.34		Under procurement
<b>33</b>	Decongestion of Urban Roads in Dar es Salaam (Upgrading						

	Goba - Mbezi Mwisho	Completion to 2.5km wearing course	Works are ongoing. The overall progress is 56%	530,468,230.19	251,919,563.62		On progress
	Tangi Bovu - Goba	Completion to 2.5km wearing course	Works are ongoing. The overall progress is 45%	658,985,032.18	286,296,303.28		On progress
	Kimara - Baruti - Msewe	Completion to 2.5km wearing course	Works are ongoing. The overall progress is 34%	229,527,141.36	71,860,783.96		On progress
	Kimara - Kilungule - External (External Maji Chumvi) (3.0km)	Completion to 2.5km wearing course	Works are ongoing. The overall progress is 64%	311,814,838.27	135,465,417.22		On progress
	Kifuru - Kinyerezi (4.0km)	Completion to 2.5km wearing course	Works are ongoing. The overall progress is 30%	351,412,086.38	166,887,895.91		On progress
	Tabata dampo - Kigogo (1.6km)	Completion to 1.5km wearing course	Works are ongoing. The overall progress is 53%	175,967,649.24	69,330,911.19		On progress
<b>34</b>	Feasibility study for Uyole - Mbalizi	Completion to Draft Feasibility Study Report		200,000,000.00	62,616,371.68		On progress

**Table 15: Physical and Financial Progress Report for Regional Roads for FY 2014/15 (TZS MILL)**

ANNUAL PHYSICAL TARGET		PHYSICAL		FINANCIAL			REMARKS ON IMPLEMENTATION
Project Description	Annual Target (km) / No of Bridge	Completed	% Completed	Annual Budget	Expenditure	% Spent	
<b>ARUSHA REGION</b>							
Rehab. Longido - Kitumbeine - Lengai (Kitumbeine - Lengai Sect.)	4	0	0%	90	0.00	0%	Works were still under cycle II with PM works
Rehab. KIA - Majengo along KIA - Mererani road	7.5	0	0%	150	0.00	0%	Works were still under cycle II with PM works
Rehab. Tengeru jct – Cairo	5.5	0	0%	110	0.00	0%	Works were still under cycle II with PM works
Construction of Box culvert along Nelson Mandela - AIST rd. (2Nos.)	2Nos.	0	0%	150	0.00	0%	Works were still under cycle II with PM works
<b>COAST REGION</b>							
Rehab. Kisarawe - Masaki - Msanga - Chole - Vikumburu Road	5	0	0%	100	0.00	0%	Works ongoing
Rehab. Kiparang'anda-Nyamalile-Kibululu Road (6km)	2.5	0	0%	50	0.00	0%	Works ongoing
FS & DD for upgrading of Mlandizi - Mweneromango road	137	0	0%	120	0.00	0%	Works ongoing
Upgrading of TAMCO - Vikawe - Mapinga (24km)	0.7	0	0%	300	0.00	0%	Under procurement

Rehab of Ikwiri - Mloka - Vikumburu	4	0	0%	80	0.00	0%	Works ongoing
Rehab. Utete - Nyamwage (32km)	2	0	0%	50	0.00	0%	Works ongoing
<b>DAR ES SALAAM REGION</b>							
Rehab. Uhuru road (1km)	0.7	0.7	100%	340	321.91	95%	Substantially Completed
Upgrading of Chanika - Mbande road (29.6km)	0.3	0	0%	130	0.00	0%	Signing of Contract and Commencement of Works is subject to approval by HQ
Upgrading to DSD Feri - Tungi Kibada road	0.3	0	0%	130	0.00	0%	Under procurement through upgrading of connectivity roads to the constructed Kigamboni Bridge.
Upgrading Boko - Mbweni road to DSD (6.9km)	0.5	0	0%	220	0.00	0%	Under procurement
<b>DODOMA REGION</b>							
Rehab. Izava - Dosidosi road (15km)	5	0	0%	100	0.00	0%	works in progress
Upgrading of Mbande-Kongwa Junction-Mpwapwa(50Km) to Paved standard	5	0.1	2%	200	399.92	200%	Draft Final Design Completed. The employer is reviewing report.
Rehab. Gubali - Haubi (20km)	7	0	0%	150	0.00	0%	works in progress
Start Construction of Gulwe Bridge along Mpwapwa - Gulwe - Kibakwe - Chipogoro road	1No	37%	37%	200	442.40	221%	works in progress
<b>GEITA REGION</b>							
Rehab. Chibingo - Bukondo road - 37km	3.5	0	0%	60	0.00	0%	Under procurement

Rehab. of Geita - Nkome Mchangani-13km	3.5	3.5	100%	60	49.16	82%	Works Completed
Rehab. of Geita - Nyarugusu - Bukoli-52.85km	4	3	75%	80	0.00	0%	works in progress
Upgrading to DSD Chato - Mkuyuni - Rubambangwe	0.8	0	0%	350	0.00	0%	works in progress
Rehab. Muganza-Kasenda	3.5	0	0%	70	0.00	0%	Under procurement
Rehab. Kibehe-Kikumbaitale	3.5	0	0%	70	0.00	0%	Under procurement
DSD upgrading Geita township roads	0.6	1.2	200%	300	0.00	0%	Works completed
Rehab. Chato Ginnery - Bwina	4	0	0%	70	0.00	0%	Under procurement
Rehab. Itare - Katende rd. (11km)	2.5	2.5	100%	50	33.24	66%	works in progress
<b>IRINGA REGION</b>							
FS & DD Nyololo-Igowole-Kibao-Mtwango-Mgololo	40.4	0	0%	70	83.68	120%	Works Completed
DSD Iringa - Msembe (Kalenga jct- Ipamba Hospital)	0.5	0	0%	250	0.00	0%	Works ongoing
Rehab. Nyololo - Kibao	5	2	40%	100	0.00	0%	Works ongoing
Rehab. Ilula - Kilolo	7.5	0	0%	150	0.00	0%	Works ongoing
<b>KAGERA REGION</b>							
Rehab. Kajai -Swap along Katoma - Bukwali road (1.5km)	1.5	2	133%	200	100.00	50%	Works ongoing
Rehab. Muhutwe - Kamachumu - Muleba road	10	0	0%	200	0.00	0%	Works ongoing

Rehab. Bugene - Kaisho - Murongo (Rwabununka Escarpment)	5	0	0%	100	0.00	0%	The works Cancelled
<b>KATAVI REGION</b>							
Rehab. Mamba - Kasansa(18Km)	3	2	67%	60	0.00	0%	works in progress
Rehab. Mpanda - Ugala road(74Km)	3	1	33%	60	0.00	0%	works in progress
Rehab. Mnyamasi - Ugalla	3	0	0%	60	0.00	0%	works in progress
Rehab. Inyonga - Majimoto (135km)	5	0	0%	60	0.00	0%	works in progress
FS&DD Kibaoni - Majimoto - Kasanza - Muze - Kilyamatundu (200km)	100	0	0%	100	0.00	0%	Under procurement
Rehab. Kibo - Mwese	5	0	0%	100	0.00	0%	works in progress
FS & DD Mpanda - Ugalla - Kaliua - Ulyankulu - Kahama (456km)	228	0	0%	100	0.00	0%	Under procurement
<b>KIGOMA REGION</b>							
Construction of 3 Bridges along Simbo - Ilagala - Kalya	3Nos	34.0%	34%	400	56.40	14%	Works ongoing
Rehab. Kakonko - Nyaronga - Ngara Boarder	6	1	17%	120	0.00	0%	Works ongoing
DD of Lwegele bridge along Simbo - Ilagala - Kalya rd.	1No.	0	0%	120	0.00	0%	Under procurement
<b>KILIMANJARO REGION</b>							

Const. of Kikuletwa Bridge along TPC Road	1No	0	0%	150	352.15	235%	Mabey Bridge procured during the first quarter at a cost of TZS 377.435 mil. Which is the sum of releases from 2011/12 up 2013/14. Bridge installation was hampered by unavailability of funds.
Rehab of Mwembe - Myamba - Ndungu 90	7	0	0%	150	0.00	0%	Works ongoing
Upgrading of Same - Kisiwani - Mkomazi to DSD	7.5	7.5	100%	600	0.00	0%	Works Completed
<b>LINDI REGION</b>							
Mbwemkuru - Nanjilinjji - Kiranjeranje (134km)	5	5	100%	100	65.60	66%	Works Completed
Rehab. Nangurukuru - Liwale road	6	0	0%	120	0.00	0%	Advertised but no response
Rehab. Nachingwea - Masasi road	5	1	20%	100	0.00	0%	works in progress
Upgrading to DSD Ruangwa township roads	1.5	0.2	13%	700	94.29	13%	works in progress
DD Lukuledi bridge along Luchelengwa - Ndanda road	1No.	2	20%	50	36.36	73%	Works Completed
<b>MANYARA REGION</b>							
Construction of Babati - Orkesumet/Kibaya New Access Rd- 250km	7	7	100%	140	84.83	61%	works in progress
Rehab Kibaya - Kibereshi road 92 km	4.5	2	44%	90	15.00	17%	works in progress

Rehab. Nangwa - Gisambang - Kondoa Bridge.	4.5	4	89%	90	22.00	24%	works in progress
Rehab Mogitu - Hydom 68 Km	4.5	4.5	100%	90	81.90	91%	Substantially Completed
Rehab. Magara Escarpment (concrete pavement)	1	0	0%	270	0.00	0%	On final stages of Contract signing
<b>MARA REGION</b>							
Rehab. Musoma - Makojo road(7km)	5	0	0%	100	0.00	0%	Suspended
Rehab. Balili - Mgeta - Manchimweli - Rimwani road(57km)	4.5	2	44%	100	0.00	0%	Substantially Completed
Upgrading to DSD Bunda - Kisorya - Nansio road (Nansio - Kisorya sect.) -118.5km	0.3	0	0%	100	0.00	0%	Suspended
Upgrading to DSD Mika - Utegi - Shirati road (60km)	0.5	0	0%	230	0.00	0%	Suspended
Upgrading to DSD Tarime - Nyamwaga road -25km (Tarime - Nyamwigura Sect.) Otta Seal	0.8	0	0%	400	0.00	0%	Suspended
Rehab. Makutano ya Kinesi - Kinesi	2.5	1	40%	50	0.00	0%	Works ongoing
Rehab Nyamwigura-Gwitiryo	3.5	2	57%	70	70.00	100%	Substantially Completed
<b>MBEYA REGION</b>							
Rehab. of Gagula - Namkukwe road (57km) Construction of 3 No. structures	3.5	1.5	43%	70	35.00	50%	works in progress
Rehab. Mbalizi - Shigamba - Isongole (Ibaba - Shigamba Sect (9 km.)road	6	0	0%	120	0.00	0%	Procurement postponed
Upgrading to DSD Igawa - Rujewa - Ubaruku	0.4	0.1	25%	160	0.00	0%	works in progress

Upgrading of Mbalizi - Makongorosi (Mbalizi - Utengule 8km) OTTA SEAL	0.5	0	0%	180	0.00	0%	FS Completed, Final DD reports under review
Rehab. Ilongo - Usangu road( 36.846km)	4	3	75%	80	0.00	0%	works in progress
Raising Embankment Msangano - Tindingoma (6km section) road	3.5	3	86%	70	0.00	0%	works in progress
<b>MOROGORO REGION</b>							
Rehab. Mahenge - Mwaya-Ilonga road ( 40km)	5	0	0%	100	0.00	0%	The works have been retendered. Bid Submission date is 10/4/2015
Upgrading "Mlima Simba hills 6km" (Otta Seal) along Mahenge - Mwaya Road	0.5	0	0%	200	0.00	0%	The works have been retendered. Bid Submission date is 10/4/2015
Rehab Ifakara - Taweta-Madeke road (246km)	7.5	0	0%	150	0.00	0%	Under procurement
Rehab. Gairo-Nongwe (74km)	10	0	0%	200	65.20	33%	Works ongoing
Upgrading of Mahenge township roads	0.8	0	0%	400	0.00	0%	The works have been retendered. Bid Submission date is 10/4/2015
<b>MTWARA REGION</b>							
Upgrading to DSD Newala Township roads (5km)	1	0	0%	300	0.00	0%	Works ongoing
Rehab.Tandahimba - Litehu Mkwiti Road	5	0	0%	100	0.00	0%	works in progress
Construction of Likwamba bridge	1 No.	0	0%	200	0.00	0%	works in progress

Upgrading to DSD Kinorombedo escarpment along Newala - Mwiti road	0.5	0	0%	120	0.00	0%	works in progress
<b>MWANZA REGION</b>							
Rehab. Kayanze - Nyanguge Road -20.24km	3	0	0%	60	9.25	15%	works in progress
Rehab. Kabaganga Ferry - Mugogo - Nyakabanga (5km)	4	0	0%	80	0.00	0%	works in progress
FS & DD and Rehab. Magu - Bukwimba Ngudu - Jojiro road (64km)	64	0	0%	100	0.00	0%	Under procurement
Rehab. of Lumaji - Nyanshana (14km)	3.5	0	0%	70	0.00	0%	works in progress
Construction of Sukuma (Simiyu II) bridge along Magu - Mahaha road	1 No	0	0%	100	0.00	0%	works in progress
Rehab Inonelwa - Kawekamo-29km	4	4	100%	80	60.00	75%	Substantially Completed
Rehab Mwamhaya - Itongoitale-51km	3.5	4	114%	70	55.20	79%	Substantially Completed
Rehab.Nyambiti - Fulo road-46.97km	4	0	0%	80	0.00	0%	works in progress
Rehab. Sengerema - Kahunda (Bukokwa - Nyrhunge - Kahunda section)	5	0	0%	100	0.00	0%	Works terminated
Rehab. Managwa-Misasi-Buhingo-Ihelele	4	0	0%	80	0.00	0%	works in progress
Purchase of motor grader for Ukerewe roads	1No	1No	100%	180	38.57	21%	Completed
<b>NJOMBE REGION</b>							
Rehab. Ndulamo - Nkenja - Kitulo - Mfumbi 95km	7.5	7.5	100%	150	128.80	86%	works in progress

Rehab Njombe - Ndulamo - Makete (109.4)	7.5	7.5	100%	150	136.00	91%	works in progress
FS & DD of Kibena - Lupembe - Mfuji (Moro/Iringa Brd) 125.2km	125	125	100%	150	0.00	0%	Completed
FS & DD of Njombe - Iyayi	74	36	49%	130	312.72	241%	works in progress
Rehab of Ikonda - Lupila - Mlangali Rd (Lupila - Mlangali section)	5.5	1	18%	110	29.73	27%	works in progress
Upgrading to DSD Igwachanya township roads	1	1	100%	400	470.04	118%	works in progress
<b>RUKWA REGION</b>							
Rehab. Ntendo - Muze (39km) Kizungu hill section to DSD	5	1	20%	100	40.00	40%	works in progress
Rehab. Kasansa - Muze (32Km)	5	1.5	30%	100	60.00	60%	Substantially Completed
Rehab. Miangalua - Kipeta road (Miangalua - Chombe Section :19km)	5	5	100%	100	17.00	17%	works in progress
Rehab. Lyazumbi - Kabwe	5	0.6	12%	100	20.00	20%	works in progress
Rehab. Kalambanzite-Ilemba Road (24 km)	5	2.5	50%	100	20.00	20%	works in progress
<b>RUVUMA REGION</b>							
Rehab. Azimio - Lukumbule-Tulingane (Lukumbule-Tulingane section 16.3km) road	3.5	0	0%	70	0.00	0%	Works ongoing
Rehab.of Lilondo Quarry Plants.	set	0	0%	50	0.00	0%	Under procurement

Opening up Londo - Kilosa Kwa Mpepo road Section (40km)	4.5	0	0%	110	0.00	0%	Under procurement
Rehab Chamani - Matuta - Mango - Kihagara road 10km	5	0	0%	100	0.00	0%	Under procurement
Upgrading to DSD Kilimo Mseto - Makambi road (2km)	0.3	0	0%	150	0.00	0%	Under procurement
upgrading Otta seal Hilly sections (0.2 km) along Mtwara Pachani - Mkongo - Sasawala- Nalasi (km232) road	0.5	0.05	10%	100	0.00	0%	Works ongoing
Design and start construction of Fundi Mbanga bridge along Tabora - Fundi Mbanga rd (9km)	1No.	0	0%	200	0.00	0%	Under procurement
Rehab of Kitai - Lituhi( 120km)	4	0	0%	80	0.00	0%	Under procurement
Rehab. Matimira - Mkongo (11.8km)	4	0	0%	80	0.00	0%	Under procurement
Rehab. Mpitimbi - Ndongosi - Nambendo (63km)	4.5	0	0%	90	0.00	0%	Under procurement
Rehab. Mjimwema - Ngapa - Tunduru/Nachingwea Brd	4	0	0%	80	0.00	0%	Under procurement
Upgrading to otta seal Unyoni - Kipapa - Chamani - Mkoha (Mawono escarpment )	0.8	0	0%	150	0.00	0%	Under procurement
Design and start construction of Ruhuhu bridge	1No.	0	0%	4000	0.00	0%	Under procurement
<b>SHINYANGA REGION</b>							
FS & DD Shinyanga - Old shinyanga road	35	0	0%	300	0.00	0%	Under procurement
Constr. Of Vented Drift along Isagenye - Budekwa - Mabaraturu road	1 No.	0	0%	200	0.00	0%	Under procurement

Kahama - Bulige - Mwakitolyo - Solwa	5	5	100%	100	85.45	85%	substantially Completed
Nyandekwa - Uyogo - Mwande (Shy/Tbr brd)	5	5	100%	100	76.47	76%	Substantially Completed
Rehab. Nyandekwa - Butigu road (20km)	5	5	100%	100	0.00	0%	Substantially Completed
<b>SIMIYU REGION</b>							
Rehab. Luguru - Kadoto - Malya road	7.5	7.5	100%	150	75.54	50%	works in progress
Rehab. Maswa - Kadoto - Shishiyu - Jija - Maligisu road	7.5	7.5	100%	150	40.00	27%	work in progress
Rehab. Mkoma - Makao road	7.5	7.5	100%	150	50.17	33%	Works ongoing
Rehab. Ngulyati - Miswaki - Ngasamo road	4.5	0.7	16%	70	0.00	0%	Works ongoing
<b>SINGIDA REGION</b>							
Rehab. Soweto(Kiomboi)-Kisiriri-Chemchem	9	5.8	64%	180	88.72	49%	works in progress
Rehab. Mkalama-Mwangeza-Kidarafa	7.5	4.6	61%	150	0.00	0%	works in progress
Construction of Msosi Box culvert and approaches along Iyumbu (Tabora brd) - Mgungira - Mtunduru - Magereza rd	1No	0.2	0%	130	0.00	0%	works in progress
Rehab. Kizaga - Sepuka - Mlandala section	2.5	0	0%	50	0.00	0%	works in progress
<b>TABORA REGION</b>							
					0.00		

Rehab. Tutuo - Izimbili - Usoke (70km)	12.5	12.5	100%	240	0.00	0%	Substantially Completed
Rehab. Nzega - Itobo - Bukoba (54.5km)	6	5.7	95%	120	0.00	0%	Substantially Completed
Rehab. Sikonge - Mibono - Kipili rd.	10	5	50%	200	0.00	0%	Substantially Completed
<b>TANGA REGION</b>							
Rehab Mlalo - Mng'aro road (25km)	4.5	2	44%	90	0.00	0%	works in progress
Rehab.Muheza - Maramba (41km)	4.5	2.03	45%	90	0.00	0%	works in progress
Rehab Mbaramo - Misozwe - Maramba - Kasera road (90km)	4	2.95	74%	80	0.00	0%	Works ongoing
Rehab of Magamba - Mlola	4.5	0.5	11%	90	0.00	0%	Works ongoing
Upgrading of Amani - Muheza to DSST	0.2	0	0%	100	0.00	0%	Works ongoing
FS & DD of Bumbuli - Dindira - Korogwe Rd	30	0	0%	80	0.00	0%	Works ongoing
Rehabilitation of Upgraded District roads to Regional Roads	200	4.25	2%	5,500.14	0.00	0%	Works ongoing
<b>TOTAL</b>	<b>1,498.4</b>	<b>345.89</b>	<b>0%</b>	<b>28,450.14</b>	<b>4,222.69</b>	<b>15%</b>	
	<b>&amp; 14brgs</b>				0.00		
<b>MOID (Monitoring and Road Related Activities)</b>				800	800.00	100%	
<b>Road Classification Activities</b>				200	0.00	0%	
<b>SPECIFIC ROAD RELATED PROJECTS:</b>							

ATTI (Taking Labour Based Technology to Scale)				260	215.43	83%	
MWTI				280	246.58	88%	The Cumulative release of TZS 309.945 million reported by MWTI includes the B/F from 2013/2014.
WPU				100.696	31.71	31%	
<b>TOTAL</b>	<b>1,498.4</b>	<b>345.89</b>	<b>0%</b>	<b>30,090.84</b>	<b>5,516.40</b>	<b>18%</b>	

**Table 16: Performance of Ferries Projects Funded from Roads Fund Budget (TZS MILL)**

ITEM	PROJECT NAME/ACTIVITY	ANNUAL PLAN	ACHIEVED	APPROVED BUDGET	FUND RELEASED	EXPENDITURE	REMARKS
1	Procurement of new ferries for Pangani and Dar es Salaam-Bagamoyo and construction of three jetties at Magogoni and Jangwani Beach stations	100%	40%	3,138.73	1,100.600	1,280.600	Tender for procurement of new ferry for Pangani awarded. Construction of temporary jetties for Dar – Bagamoyo ferry at Magogoni and Mbegani completed.
2	Rehabilitation of 24 Ferries	100%	30%	1,348.644	223.311	474.125	Tender award for rehabilitation of MV Magogoni in progress
3	Monitoring and evaluation of ferry projects	100%	100%	235,000.	10.660	235.000	Monitoring and evaluation have been carried out during construction of ferry jetties at Magogoni and Mbegani.
	<b>TOTAL</b>			<b>4,722.374</b>	<b>1,334.571</b>	<b>1,989.725</b>	

**Table 17: Physical and Financial Performance of Roads Related Activities (TZS)**

S/NO	PROJECT NAME /ACTIVITY	ANNUAL PLAN	ACTUAL ACHIEVED	ANNUAL BUDGET	RELEASE	EXPENDITURE	REMARKS
1	Monitoring and Evaluation for Roads, Bridges; Ferries; preparation of performance Indicators and Roads Sectoral Statistics	(i) Conducts two (2) visits for monitoring and evaluation (ii) Updating of Performance Indicators (iii) publishing and disseminate 100 copies of Road Sector Statistics Book 2014 (iv) Preparation of Five Years Road Sector Development Programme (2014/15-2018/19)	(i) Publication of 100 copies of road Sectoral Statistical Book 2014 is in progress (ii) Performance Indicators and Data Base reviewed (iii) Participated in a Joint Transport Sector Review meeting for 2014 (iv) Inputs on Sectoral Economic Survey document for Year 2014 prepared	402,870,000.00	266,616,314.00	266,616,314.00	
2	Participation in East African Cooperation Road Network, SADC, COMESA-EAC-SADC Tripartite Free Trade Area and Sub-Saharan Africa Transport Policy (SSATP) for roads related meetings	Attends fifteen (15) meetings on EAC, six (6) meetings on SADC, one (1) meeting on COMESA-EAC-SADC Tripartite Free Trade Area, one (1) meeting on SSATP.	Attended three (3) EAC and five (5) SADC meetings.	457,000,000.00	142,312,000.00	142,312,000.00	

S/NO	PROJECT NAME /ACTIVITY	ANNUAL PLAN	ACTUAL ACHIEVED	ANNUAL BUDGET	RELEASE	EXPENDITURE	REMARKS
3	Co-ordination of Corridor Development Issues (Mtwara, Central and Dar es Salaam)	To host SADC Eastern Corridor Cluster Ministerial Meeting in collaboration with Ministry of Transport	No activity implemented	50,000,000.00	3,000,000.00	3,000,000.00	
4	Co-ordination of Ministry's Budget and Action Plan, and Preparations of Roads Sector Concept Papers and Write-ups	Preparations of Action Plan for FY 2014/15; Roads Sector Concept Paper; Budget for FY 2015/16; Review of Construction Industry Policy (2003) and Prepare Implementation Strategy.	<ul style="list-style-type: none"> <li>• Sectoral Development Plan prepared;</li> <li>• Inputs for Guidelines on Budget and Plan for FY 2015/16 were prepared.</li> <li>• Budget and Action Plan for FY 2015/16 prepared;</li> <li>• MTEF for FY 2015/16 – 2017/18 prepared.</li> </ul>	663,450,000.00	642,692,769.00	642,692,769.00	
5	Preparations of Roads Acts Regulations	Finalise preparations of Roads Financing Regulation	NIL	15,000,000.00			
6	Preparations of Audit Reports for Roads Fund Accounts, Roads Fund Operational Plans and Roads Fund Progress Reports	Preparations of Financial Statement for FY 2013/14; Conduct meetings on Audited Reports for Roads Fund Accounts, Preparations of Roads Fund Operational Plans FY 2015/16 and Roads Fund Progress Reports	<ul style="list-style-type: none"> <li>• Financial Statement for FY 2013/14 was prepared</li> <li>• Progress Reports for road works for FY 2014/15 were prepared</li> </ul>	130,000,000.00	90,000,000.00	90,000,000.00	

S/NO	PROJECT NAME /ACTIVITY	ANNUAL PLAN	ACTUAL ACHIEVED	ANNUAL BUDGET	RELEASE	EXPENDITURE	REMARKS
7	Contribution to Roads Associations and Participation in Roads and Transport Professional Bodies	To effect payments for Annual Membership Contribution to PIARC and facilitate Ministry's Officials to attend the Conference and Meetings	Payments for Ministry's staff to participate in the Annual Road Convention Conference were effected	60,000,000.00	48,000,000.00	48,000,000.00	
8	Facilitation to Technology Transfer Centre (TANT2 Centre)	To facilitate TANT2 to perform activities as planned	Funds were released to TANT2 in time for implementation of activities according to Action Plan	100,000,000.00	90,000,000.00	90,000,000.00	Main activities in Table 2.6
9	Promotion and awareness activities	To facilitate promotion and awareness activities on implementation of roads, bridges and ferries projects	<ul style="list-style-type: none"> <li>Video Camera procured</li> <li>Budget speech for FY 2015/16 published</li> </ul>	150,000,000.00	53,000,000.00	53,000,000.00	
10	Establish Roads Record Management and Files Tracking System	Update MoW website	Ministry's Website updated	50,000,000.00	50,000,000.00	50,000,000.00	
<b>TOTAL</b>				<b>2,078,320,000.00</b>	<b>1,385,621,083.00</b>	<b>1,385,621,083.00</b>	

**Table 18: Physical and Financial Performance of Road Safety and Environment Activities (TZS MILL)**

S/N	PROJECT NAME/ACTIVITY	ANNUAL PLAN	ACHIEVEMENT	ANNAUL BUDGET	RELEASE	EXPENDITURE	REMARKS
1	Design and install an Electronic System for issuing the Abnormal Load Permit (e-permit)	install an Electronic System for issuing the Abnormal Load Permit (e-permit)	Tender documents for procurement of Consultant prepared and the contract signed	600,000,000.00	194,565,156.90		The project is in final stage
2	Purchase and installation CCTV Cameras to 6 weighbridge stations	Installation of CCTV cameras 6 weighbridge stations	Preparation of tender documents for procurement of consultant on installation of CCTV cameras to 6 weighbridge stations is ongoing	661,630,000.00	81,392,593.18		Insufficient funds to procure the consultant
3	Control Prototype Resting Station.	Construction of toilets and toilets facility along the Road	Land acquired	100,000,000.00	100,000,000.00	100,000,000.00	

S/N	PROJECT NAME/ACTIVITY	ANNUAL PLAN	ACHIEVEMENT	ANNAUL BUDGET	RELEASE	EXPENDITURE	REMARKS
4	Support to Environmental Management Project in the Road Sector	Support to Environmental Management Project in the Road Sector	(i) Training of 30 Engineers and Technicians on Environmental Impact Assessment and Management Road done. (ii) Environmental Monitoring and Audit conducted in six Regions (iii) National and International Conferences Meetings and training on Environment and Climate Change attended	132,000,000.00	67,601,074.71	58,249,702.00	
5	Skill Development on Road Safety Profession	Participate in skill development on road safety profession	Two (2) staff attended training on road safety issues and two staffs attended meeting on road safety related issues	10,000,000.00	20,000,000.00	19,637,490.36	
6	Monitoring and evaluation of road vehicle safety	Conduct Monitoring and	Prepared monitoring	10,000,000.00	158,000,000.00	157,880,000.00	

S/N	PROJECT NAME/ACTIVITY	ANNUAL PLAN	ACHIEVEMENT	ANNAUL BUDGET	RELEASE	EXPENDITURE	REMARKS
		Evaluation of Road and Vehicle Safety	program and conducted monitoring to 15 weighbridge stations				
	<b>TOATAL</b>			<b>1,701,630,000.00</b>	<b>621,558,824.79</b>	<b>335,767,192.36</b>	

## **MoW Financial Statements and Auditors Opinion**

This part of the Audit is performed by the National audit office which conducted an audit of financial statements of MoW for the Financial Year and issued various professional opinions. The Financial Statements are presented together with Auditors' opinion.

## 2.0 AUDIT REPORT ON THE FINANCIAL STATEMENTS

**To:** The Permanent Secretary and Accounting Officer of Vote 98,  
Ministry of Works,  
P.O. Box 9423,  
DAR ES SALAAM

**RE:** REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE MINISTRY OF WORKS FOR THE ROADS FUND RECEIVED FROM THE ROADS FUND BOARD FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2015

### Introduction

I have audited the financial statements of the Ministry of Works for the Roads Fund received from the Roads Fund Board which comprises of the statement of receipts and payments, statement of comparison of budget and actual amounts and accounting policy and explanatory notes to the financial statements for the year ended 30<sup>th</sup> June, 2015 as shown in Annexure I of this report.

### Management Responsibility for the financial statements

The preparation of the financial statements is the responsibility of the management of the Ministry of Works as per the Statement of Management responsibility on the Financial Statements enclosed in this report as Annexure II.

Sect. 25(4) of the Public Finance Act No. 6 of 2001 (revised 2004), places responsibility on the Accounting Officer to prepare financial statements for each financial year which presents true and fair view of the financial position, financial performance and cash flows for the year then ended. It also, requires management to ensure that the reporting entity keeps proper accounting records, which will disclose with reasonable accuracy its financial position of the reporting entity and its responsibility in safeguarding the assets of the reporting entity.

### Responsibilities of the Controller and Auditor General

My responsibility as an auditor is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards of Supreme Audit Institutions and such other procedures I considered necessary in the circumstances. These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of

material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, I considered the internal control relevant to the Ministry of Works preparation and fair presentation of the financial statements 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 The Ministry of Works internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

In addition, Sect. 10 (2) of the PAA No. 11 of 2008 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards and that; reasonable precautions have been taken to safeguard the collection of revenue, receipt, custody, disposal, issue and proper use of public property, and that the law, directions and instructions applicable thereto have been duly observed and expenditures of public monies have been properly authorized.

Further, Sect.48(3) of the Public Procurement Act No.7 of 2011 and Reg. Nos. 137 (3 b) and 269 (1) of the Public Procurement Regulations 2013 require me to state in my annual audit report whether or not the auditee has complied with the provisions of the Law and its Regulations.

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

**Unqualified opinion**

In my opinion, the financial statements present fairly, in all material respects of financial position of the Ministry of Works for the Roads Fund received from the Roads Fund Board as at 30<sup>th</sup> June, 2015 its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs) under the Cash basis of accounting.

  
Prof. Mussa J. Asad  
CONTROLLER AND AUDITOR GENERAL



March, 2016

Copy: Permanent Secretary and Paymaster General,  
Ministry of Finance,  
P.O. Box 9111,  
DAR ES SALAAM.

" Chairman,  
Roads Fund Board,  
P.O. Box 12497,  
DAR ES SALAAM.

**PART THREE: PERFORMANCE OF THE PRIME  
MINISTER'S OFFICE REGIONAL ADMINISTRATION AND  
LOCAL GOVERNMENT**

## PART THREE: PERFORMANCE REVIEW OF PRIME MINISTER'S OFFICE, REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

### 3.1 INTRODUCTION

This part presents status of performance of the activities that were planned to be undertaken by PMORALG in respect to road maintenance programmes during FY 2014/15 as agreed upon in the Performance Agreement that was signed between the Board and PMORALG. The amount of funds allocated to PMORALG is 30% of the total road maintenance funds received by the Fund to be disbursed to PMORALG.

The PMORALG is responsible for coordinating, managing and monitoring of maintenance and development of the road network for 166 Local Government Authorities' (LGAs). The road network consists of District, Feeder and Urban roads as shown in **Table 19**. Out of **108,946.19 km**, **52,241km** are classified roads and **56,705km** are not yet classified. **Table 19** shows the road network under jurisdiction of PMORALG.

**Table 19: Local Government Road Network and Road Condition (in Km)**

Surface Type	Good	Fair	Poor	Total	%
<b>Paved</b>	901.23	256.687	167.578	<b>1,325.49</b>	1.22%
<b>Gravel</b>	9,307.54	8,481.83	4,299.42	<b>22,088.79</b>	20.27%
<b>Earth</b>	14,319.75	28,531.41	42,680.74	<b>85,531.91</b>	78.51%
<b>Total</b>	<b>24,528.52</b>	<b>37,269.93</b>	<b>47,147.74</b>	<b>108,946.19</b>	100.0%
<b>%</b>	<b>22.51%</b>	<b>34.21%</b>	<b>43.28%</b>	<b>100.0%</b>	

Source: PMORALG

In order to preserve and safeguard the road network the LGAs do carry out routine/recurrent maintenance, spot improvement/emergency repairs, periodic maintenance and preventive maintenance of cross drainage structures including bridges, culverts and drifts.

### 3.2 MAINTENANCE BUDGET AND EXPENDITURE

The total budget allocated to PMORALG for the period under review was **TZS. 160,918.50 million** which was to cover the costs for maintenance of District, Urban and Feeder Roads under Local Government Authorities as shown in **Table 20**.

Out of the total annual budget, **TZS. 114,460.06 million** equivalent to 71.13% of annual budget was disbursed to the PMORALG for the period ending on 30<sup>th</sup> June 2015. The LGA's applied these funds for roads and bridges maintenance works as well as supervision activities for road maintenance.

**Table 20: Physical and Financial Performance (TZS MILL)**

S/ N	ACTIVITY.	ANNUAL PLAN		ACTUAL PERFORMANCE			
		Physical (km)	Financial	Physical(Km)	Physical %	Financial	Financial %
1	Routine maintenance	15,238.81	20,131.17	12,731.7	83	14,382.09	71
2	Spot improvement	3,626.65	11,240.79	2,823.6	78	7,907.38	70
3	Periodic maintenance	3,296.32	58,798.72	2,636.7	80	27,540.84	47
4	Cross drainage structures		20,051.90			11,322.05	56
5	Supervision Councils.		6,167.34			5,600.68	91
6	Monitoring PMORALG		748.23			500.00	67
	Monitoring RS Eng.		1,115.86			930.00	83
7	Administration		367.65			310.00	84
8	Development		22,638.12	2183.km & 3 brg		4,638.36	20

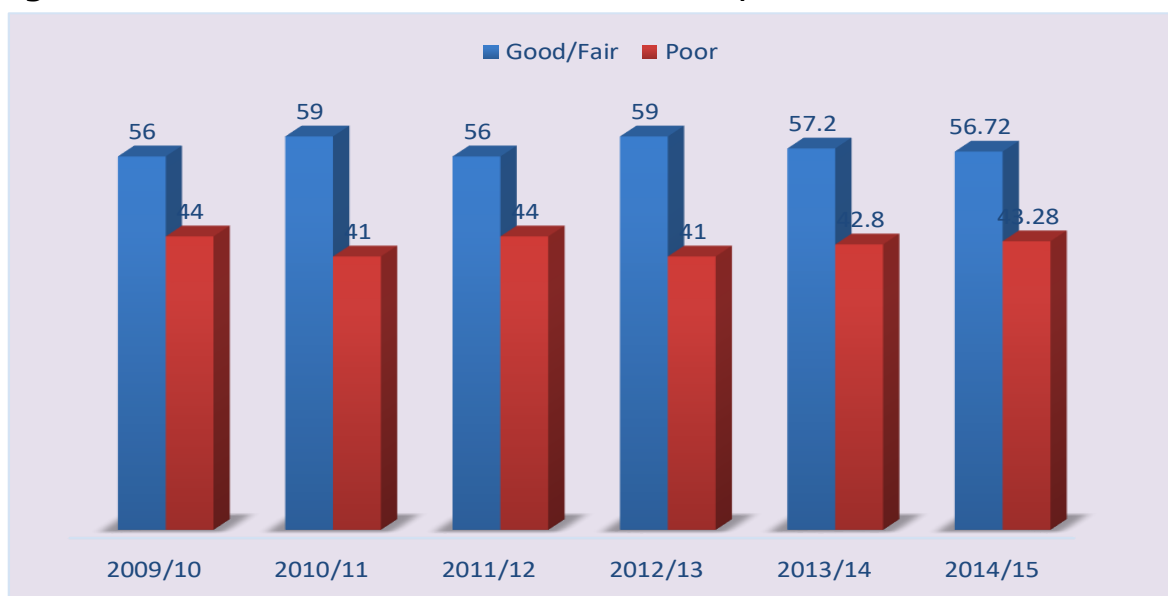
<b>9</b>	Emergency Works		8,926.96			1,909.65	21
<b>10</b>	Purchasing 30 supervision vehicle for LGAs		2,000.00			2,000.00	100
<b>11</b>	Patching works in Dar es salaam		2,500.00			2,500.00	100
<b>12</b>	Training on design of Road and Bridges and contract administration		1,500.00			1,500.00	100
<b>13</b>	Design of Hananasif Bridge, Uyole- Songwe and Upper Ruvu Bridge		2,000.00				
<b>14</b>	Training on use of Laboratory Equipment		500.00				
<b>15</b>	The Annual RS/C Eng. Workshop		2,231.74				
<b>TOTAL</b>		<b>22,161.78</b>	<b>160,918.50</b>	<b>20,375 Km &amp; 3Brg</b>	<b>92</b>	<b>81,041.05</b>	<b>50</b>

Source: PMORALG & RFB

### 3.3 ROAD CONDITION

During the year under review, the overall road network condition for District, Feeder and urban roads indicates that **56.72%** were in good/fair condition and **43.28%** were poor. The trend of the network condition in the last five years is shown in **Figure 14** below.

**Figure 14: Trend of Road Condition for District, Feeder and Urban Roads**



**Source:** RFB & PMORALG

### 3.4 PHYSICAL AND FINANCIAL PERFORMANCE

In the financial year 2014/15, PMORALG planned to carry out maintenance programmes covering routine/recurrent maintenance, spot improvement, emergency repairs, periodic maintenance and preventive maintenance of cross drainage structures. The structures include: bridges, culverts and drifts on 22,161.78 km of district, urban and feeder roads at a cost of **TZS. 110,222.58 million**, sourced from the Roads Fund.

The physical performance in terms of roads maintenance (periodic, routine and spot improvement) was 18,192.00km equivalent to 82% of the planned 22,161.78km.

#### 3.4.1 Periodic Maintenance

Up to 30<sup>th</sup> June 2015, a total of 2,636.7km equivalent to 80 percent of planned target of 3,296.32 km received periodic maintenance. The corresponding cost of the maintenance was **TZS. 27,540.84 million** equivalent to **47%** of the planned annual expenditure of **TZS. 58,798.72 million**.

### 3.4.2 Spot Improvement

Spot improvement works were carried out on 2,823.6 km, out of the planned 3,626.65km which is equivalent to 78% of the annual planned coverage. The total expenditure was **TZS. 7,907.38 million** which is equivalent to **70%** of the annual planned expenditures of **TZS. 11,240.79 million**.

### 3.4.3 Routine Maintenance

Routine and recurrent maintenance were carried out on a network of 12,731.7 km which is 83 percent of 15,238.81 km of the annual planned coverage. The total expenditure was **TZS. 14,382.09 million**, being **71%** of the annual budget of **TZS. 20,131.17 million**.

### 3.4.4 Bridges/Culverts

The amount of **TZS. 11,322.05 million** was spent for preventive maintenance of bridges and maintenance of culverts. This amount is equivalent to 56% of the planned annual budget of **TZS. 20,051.90 million**.

## 3.5 ABSORPTION CAPACITY OF LOCAL AUTHORITIES

During the reporting period, out of **TZS. 114,460.06 million** that were disbursed to PMORALG, a total of **TZS. 81,041.05 million**, equal to 50% of the annual budget or **71%** of the released amount, was spent for road maintenance works and related activities; leaving a total of **TZS. 33,419.01 million** equivalent to **21%** of the budget amount as rollover funds to subsequent financial year of 2015/16. Moreover, LGAs had rollover funds from FY 2013/14 amounting to **TZS. 277.31 million** hence making a total rollover to FY 2015/16 to be equal to **TZS. 33,696.32 million**.

This analysis suggests that LGA's had low absorption capacity and therefore needs to be addressed by strengthening its capacity to utilise funds.

## 3.6 ROAD DEVELOPMENT PROJECTS

A budget of **TZS. 22,638.12 million** was allocated for development projects for FY 2014/15. Up to 30th June 2015, a total of **TZS. 11,738.479 million** was disbursed whereas **TZS. 4,638.364 million** was utilised, equivalent to **40%** of amount disbursed. Major reasons for this underutilisation include: delay in procurement, delayed claims from some contractors and low capacity of contractors, which in turn led to delay in project implementation. The list of projects and status are shown in **Table 21**

**Table 21: Status of Road Development Project Expenditure and Progress for FY 2014/15**

COUNCIL	PROJECT/ ACTIVITY	Project Budget TZS. x 1000	Planned Activity		Actual Implementation		REMARKS
			Phy.	Funds Released	Phy.	Financial	
			Km/No	TZS. x 1000	Km/no	TZS. x 1000	
<b>Nyassa D.C</b>	Up grading of Kilosa - Mhando Beach Bomani road to DSD	400,000,00	1KM	200,000.00	0	0.00	Works in Progress 35%
<b>Tunduru D.C</b>	Construction of Fundi Mbaga Bridge of 20m span	507,983.11	INo	253,991.56	0	0.00	Procurement Stage due to change of scope of works caused by higher cost estimated from the design report
<b>Morogoro D.C</b>	Rehabilitation of Mtombozi-Lugeni &Lugeni –Nambini road.	175,000.00	7KM	87,500.00	7KM	64,970.00	Works on progress 95%
<b>Nkasi D.C</b>	Rehabilitation of Kibaoni - Itindi Kasu road.	593,175.00	20.8KM	593,175.00	20.8KM	196,407.50	Works in Progress 65%
<b>Mbarali D.C</b>	Construction of Itambo Bridge 8m span	60,000.00	1No	60,000.00	1No	55,286.20	Works Completed 100%
	Rehabilitation of Manienga - Itipingu - Kangaga Road	180,000.00	18KM	60,000.00	18KM	54,640.00	Works Completed 100%

<b>Arusha D.C</b>	Rehabilitation of TPPRI - Likamba Road	712,926.56	0.5KM 1No Box culvert	356,463.28	13KM	351,822.00	Gravelling and Drainage Works in Progress 75%
<b>Mufindi D.C</b>	Rehabilitation of Urban Roads into DSD	180,000.00	0.4KM	90,000.00	0	0.00	Works on Progress 40%
<b>Kahama D.C</b>	Rehabilitation of Kahama – Mwanase - Kabonde Road.	588,280.00	40.3KM	294,140.00	22KM	210,150.00	Works on Progress 54%
<b>Ludewa D.C</b>	Rehabilitation of Nkomang'ombe - Iwela – Bandarini Road	618,027.72	35KM	309,013.86	18KM	261,785.00	Works on Progress 75%
<b>Kilwa D.C</b>	Rehabilitation of Kivinje Road	500,000.00	4.5KM	500,000.00	4.5KM	439,690.00	Works in Progress 98%
<b>Kyela D.C</b>	Completion of construction of Lusungu bridge	847,521.65	1No	448,347.76	1No	448,347.76	Works completed
<b>Namtumbo D.C</b>	Rehabilitation of Town Roads to DSD	350,000.00	1KM	175,000.00	0	0.00	Mobilization Stage
<b>Ulanga D.C</b>	Rehabilitation of Ruaha – Sali road to DSD	799,104.10	1KM	349,776.02	0	98,989.60	Works in Progress 65%
	Rehabilitation of Mahenge Town Roads into DSD	543,026.65	2KM	271,531.32	0	0.00	Works in Progress(Only 5 lines of culverts completed) 30%
<b>Kwimba D.C</b>	Rehabilitation of Ngoro - Mhulula - Manawa Road	197,258.00	14.8KM	197,258.00	14.8KM	192,089.00	Works completed
<b>Kibaha T.C</b>	Rehabilitation of Kibaha Town Roads to DSD	700,000.00	2KM	350,000.00	1.25KM	321,503.02	Works in Progress 70%

<b>Kalambo D.C</b>	Rehabilitation of Matai Town Roads	434,474.00	25KM	217,237.00	25KM	214,278.40	Works completed
<b>Chato D.C</b>	Rehabilitation of Chato Town Roads to DSD	350,000.00	1KM	175,000.00	0	0.00	Works in Progress 38%
<b>Iringa M.C</b>	Rehabilitation of Town Roads DSD	350,000.00	1KM	175,000.00	0	0.00	Works in progress 35%
<b>Kinondoni M.C</b>	Rehabilitation of Viongozi road to tarmac standard	800,000.00	1KM	350,000.00	0	0.00	Works in progress 30%
	Rehabilitation of Temboni -Arsenal - Magoti	800,000.00	1KM	350,000.00	0	0.00	Works in progress 18%
	Rehabilitaion of Masjid - Quba	3,326,145.00	2.55KM	1,031,536.25	0	0.00	Works in progress 40%
<b>Mtwara D.C</b>	Rehabilitation of Mkangala – Kawawa - Namahyakata	262,202.14	13.2KM	131,101.07	9 KM	155,900.00	Works in progress 66%
	Rehabilitation of Mpapura –Dhimba road	258,478.69	19KM	129,239.34	10KM	84,650.00	Works in progress 55%
	Rehabilitation of Mbuo–Muungano – Manawa road	237,735.08	11KM	118,867.54	4 KM	24,749.00	Works on progress 35%
<b>Butiama D.C</b>	Rehabilitation of Kitaramaka –Magunga - Busegwe Road	450,000.00	37KM	300,000.00	21KM	109,630.00	Works on progress 75%
<b>Masasi T.C</b>	Rehabilitation of Mkapa road to CCM Rest camp to DSD	350,000.00	1KM	175,000.00	0	0.00	Works on progress 25%
<b>Nkasi D.C</b>	Rehabilitation of Kitosi – Wampembe road	200,000.00	20KM	100,000.00	20KM	96,407.50	Works Completed

<b>Wang'ingombe D.C</b>	Construction of Itamba – Valeville bridge	92,900.00	1No	46,450.00	0	0.00	Works on progress 50%
	Construction of Luduga – Malangali bridge	54,730.40	1No	27,365.20	1No	20,000.00	Works on progress 75%
<b>Urambo D.C</b>	Rehabilitation of town roads to DSD	350,000.00	1KM	175,000.00	0	89,087.22	Works on progress 40%
<b>Kilolo D.C</b>	Rehabilitation of Mtua - Uhambigito road to DSD	525,000.00	1.5KM	262,500.00	1KM	110,160.00	Works on progress 55%
<b>Makambako T.C</b>	Upgrading of Town roads	700,000.00	2KM	325,000.00	1KM	103,130.50	Works on progress 50%
<b>Tarime T.C</b>	Construction of Mori Bridge 18m Span	343,879.11	1No	171,939.55	0	0.00	Procurement Stage
<b>PMORALG Road Research Centre</b>	Land Acquisition and training on AFCAP	280,000.00	LS	140,000.00	LS	140,000.00	Payment is completed
<b>Siha D.C</b>	Rehabilitation of Kirari - Faraja road (Biriri ward)	67,050.00	4KM	33,525.00	4KM	13,700.00	Works on progress 90%
	Rehabilitation of Fiidishi - Molomo road	36,050.00	1.6KM	18,025.00	1.6KM	10,000.00	Works on progress 90%
	Rehabilitation of Kilingi – Kanisani, Koola – Mambosasa	83,050.00	3.8KM	41,525.00	3.8KM	17,540.00	Works in Progress 90%
<b>Kigoma M.C</b>	Rehabilitation of Town roads (Cobble Stone Standard)	1,884,000.00	3KM	1,884,100.00	2.5KM	753,451.17	Works on Progress 50%
<b>Ijala M.C</b>	Rehabilitation Mombasa - Moshi Bar road to DSD	1,400,000.00	1.65KM	600,000.00	0	0.00	Tender Re-Advertised

<b>Dodoma M.C</b>	Rehabilitation of Martin Luther –Swaswa to DSD	1,050,000.00	3KM	262,500.00	0	0.00	Works on progress 45%
<b>TOTAL</b>		<b>22,638,133.20</b>	<b>303.6KM &amp; 7 BRG</b>	<b>11,738,478.77</b>	<b>222.3KM &amp; 3 BRG</b>	<b>4,638,363.87</b>	

### 3.7 EMERGENCY WORKS

During the FY under review, **TZS. 8,926.96 million** was set aside for emergency works whereas, up to 30<sup>th</sup> June 2015, a total amount spent was **TZS. 1,909.65 million**, equivalent to 21% of the budget for emergency funds, which is a reflection of LGA's low absorption capacity. The list of emergency works carried in FY2014/15 is shown in **Table 22**.

**Table 22: List of Emergency Works Implemented in FY 2014/15 (TZS MILL)**

S/N	RECIPIENT	EMERGENCY ACTIVITY	CONTRACT AMOUNT	PHYSICAL PROGRESS	FINANCIAL PROGRESS	REMARKS
1.	Kilosa D.C	Completion of construction of Berega bridge	250,000.00	1 NO	250,000.00	Works completed 100%
2.	Bariadi D.C	Completion of construction of Gibishi bridge	250,000.00	1 NO	241,000.00	Bridge works completed, but works for relief box culvert and approach roads are at final stage
3.	Morogoro D.C	Rehabilitation of Mtombozi – Nemele – Baga and Mtombozi –Lugeni roads (10Kms)	219,480.82	4 KM	64,970.00	Works in Progress 30%
4	Mlele D.C	Rehabilitation of Mlele Town roads (2Kms)	700,000.00	0	0.00	Works in mobilization stage 5%
5.	Kisarawe D.C	Rehabilitation of Pugu Hill road (4Kms)	118,223.24	2 KM	66,700.00	Works in progress 50%
6.	Kigoma M.C	Rehabilitation of RC Road (1.5Kms), Kibirizi bridge and Kikungu bridge.	311,116.00	1.5 KM	37,920.00	Works in progress 35%
7.	Hanang D.C	Rehabilitation of Balang'dalalu - Mureru-Lalaji (22Kms)	549,848.00	10 KM	82,477.20	Works in progress 45%
8.	Iringa D.C	Rehabilitation of Izazi-Pawaga road 3Kms, Lukwambe – Magubige 10Km, Isimani – Pawaga 3Km.	583,363.94	14 KM	433,095.35	Works completed 90%
9.	Mwanga D.C	Rehabilitation of Lembeni – Kilomeni 15Km	400,000.00	0	0.00	Works on mobilization stage
10.	Longido D.C	Rehabilitation of Lerang Hospital road	59,000.00	1 KM	5,990.00	Works in progress 85%

<b>11.</b>	Makambako T.C	Rehabilitation of Kiumba – Ngamanga road	59,000.00	0	0.00	Works in procurement stage
<b>12.</b>	Nkasi D.C	Rehabilitation Nkana – Nkala road	400,000.00	0	0.00	Works on mobilization stage
<b>13.</b>	Kilolo D.C	Rehabilitation of Iole – Mawala – Vitono, Ihambo – Kitelewasi, and Kipanduka – Ikuka (1Box Culvert).	251,160.00	1 NO	96,471.00	Works in progress
		Rehabilitation of Ikuka – Image	350,000.00	0	0.00	Works in procurement stage
<b>14</b>	Temeke MC	Improvement of Mbozi and Saza Changombe Industrial area	293,965.00	2 KM	197,097.00	Works in progress
<b>15</b>	Momba DC	Contribution of 5% on roads under MIVRAF Programme	100,000.00		100,000.00	Works completed
<b>16</b>	Kigoma MC	Construction of Lubengera Bridge	493,000.00	0	0.00	Works in mobilization stage
<b>17</b>	Iringa MC	Rehabilitation of roads around bus stand	500,000.00	0	0.00	Works in mobilization stage
<b>18</b>	TANROADS ,DODOMA	Rehabilitation of hospital roads under Dodoma Municipal	507,000.00	0	0.00	Works in progress
<b>19</b>	Arusha DC	Rehabilitation of drift along Mbuyuni, Mirongweine Oljoro road Arusha	29,400.00	1 NO	9,400.00	Works Completed
		Rehabilitation of TPRI Likamba road	356,000.00	1 KM	127,350.00	Works in Progress
		Upgrading of Tribunal (MICT) Road 1.5Km to paved standard.	750,000.00	0.5 KM	154,784.00	Works in progress
<b>20</b>	Kilosa DC	Completion of Berega Bridge	170,000.00	0	0.00	Procurement Stage
<b>21</b>	Ludewa DC	Addition funds for construction of Ketewaka bridge	102,701.84	1 NO	42,400.00	Works in progress

<b>22</b>	Rufiji DC	Rehabilitaion of Kibanda hodi bridge along Jaribu Msindaji	49,119.76	0	0.00	Works in mobilization stage
<b>23</b>	Wangi'ngo'mbe DC	Rehabilitation of Ulembwe-Samaria -Idunda road 18 km	450,000.00	0	0.00	Works in mobilization stage
<b>24</b>	Mbeya CC	Rehabilitation of Mwanjelwa road	404,673.00	0	0.00	Works in mobilization stage
<b>Total</b>			<b>8,926,960.00</b>	<b>36 KM &amp; 5BRG</b>	<b>1,909,654.55</b>	

### 3.8 ADMINISTRATION, MONITORING AND INSPECTION

As of 30<sup>th</sup> June 2015, a total of **TZS. 367.64 million** was disbursed to PMORALG during the year to cover vehicle operation costs, maintenance and other related overheads. The actual amount spent was **TZS. 330.87 million**. Similarly, a total of **TZS. 604.70 million** and **TZS. 1,115.86 million** were disbursed to PMORALG and Regional Secretariat (RAS) respectively for monitoring and inspection. The actual expenditure was **TZS. 500 million**, equivalent to 67 % and **TZS. 930 million** which was 83% for PMORALG and RAS engineers respectively.

### 3.9 OTHER PROGRAMMES

#### 3.9.1 African Community Access Programme

PMORALG continued to cooperate with African Community Access Programme (AFCAP) in areas of rural roads network through agreed areas which include preparation of Low Volume Sealed Roads Guidelines which is at the final stage of preparing stakeholders meeting and Technical Assistance to PMORALG to develop Research Capacity and Provision of Materials Testing Equipment for Research Centre and other areas. Likewise, Material Testing Equipment for Research Centre has already arrived in Dodoma and it will be installed as the renovation of the building is completed.

#### 3.9.2 Improving Rural Access in Tanzania (IRAT)

PMORALG is implementing "Improving Rural Access in Tanzania Project (IRAT)" which is financed by DFID. The total project cost for LGAs in first year is **TZS. 15,587.70 million** whereby **TZS. 10,329.57 million** has been disbursed and **TZS. 9,616.77 million** was spent up to the end of FY 2014/15. **Table 23** below shows the planned activities against achievement obtained.

**Table 23: Planned Activities vs Achievements for IRAT**

Activity	Unit	Planned	Implemented	%
Box Culverts	No.	40	39	97
Vented Drifts	No.	8	8	100
Solid Drifts	No.	9	9	100
Concrete Pipe 1200	Lines	12	12	100
Concrete Pipe 900	Lines	132	132	100
Concrete Pipe 600	Lines	32	32	100
Embankment Raising	KM	46.4	25.5	55
Gravelling Work	KM	62.8	52.6	84
Concrete Pavement	M	300		
Concrete Strip	M	1800		

**Table 24: IRAT PHASE II - Removal of Road Bottlenecks Progress Report as by 30th June 2015 (TZS)**

S/No	LGA	Road Name	Planned Works	Implemented Works	Contract Sum <u>Supervision Cost</u> Total Cost	Amount Received	Expenditure	Remarks	
1	Bukoba DC	Katerero - Kishogo road (Kyanyabasa Crossing)	4 Box Culverts,7M* 2.0M * 4M,(L*W*H) Embankment Raising 0.6km,Gravelling Works 0.6KM, Road Width 7M,1line 900mm culvert	4 Box Culverts,7M* 2.0M * 4M,(L*W*H) Embankment Raising 0.6km, Gravelling Works 0.6KM, Road Width 7M, 1line 900mm culvert	543,425,400.00 <u>27,171,270.00</u> 570,596,670.00	427,947,502.50	427,947,502.50	Work completed	
2	Missenyi	Package 1	Nsunga-Byeju-Mtukula	Embankment raising 2.5km, gravelling 2.5km,900mm pipe culverts 12lines	Embankment raising 2.5km, gravelling 2.5km,900mm pipe culverts 12lines	1,213,812,643.00	1,274,503,275.00	1,274,503,275.00	Works completed
		Buyango-Bwanjai-Kajia	Removal of 8 Timber Box Culverts and replacing with 8 Concrete Box Culverts7M* 4M * 2M (L*W*H) Rock Filling, Embankment Raising 0.52KM, Gravelling 0.52KM	Removal of 8 Timber Box Culverts and replacing with 8 Concrete Box Culverts7M* 4M * 2M (L*W*H) Rock Filling, Embankment Raising 0.52KM, Gravelling 0.52KM	<u>60,690,632.00</u> 1,274,503,275.00				
		Package 2	Bugorora-Buchurago	Embankment raising 8km, gravelling 8km, 900mm culverts 9lines, 1200mm culverts 6lines, 1200mm culverts extension 20lines	Embankment raising work ongoing, 900mm culverts 9lines completed, 1200mm culverts 6lines, 1200mm culverts extension 20lines completed	1,935,482,675.00 <u>96,774,133.75</u> 2,032,256,808.75			

<b>3</b>	Igunga DC	Igunga-Sungwizi	Embankment raising and Gravelling, 3.0KM, Culverts 900mm 12lines, 1200mm 4lines, gravelling 3.0KM, Side drains 1.2km	Embankment raising and Gravelling, 3.0KM, Culverts 900mm 12lines, 1200mm 4lines, gravelling 3.0KM, Side drains 1.2km	<b>530,029,556.25</b> <u>26,501,477.81</u> <b>556,531,034.06</b>	<b>417,401,694.92</b>	<b>417,401,694.92</b>	Work completed
<b>4</b>	Babati	Bonga-Endanachan-Riroda	Cut & Fill 3KM, Road Formation 12.4KM, 900mm culverts 18lines, Box Culvert 44M*6M*2.5M(L*W*H) 1No, 38M*6M*3M, 1No, 5M*6M*2M 1No, 3M*6M*3M 1No	Cut & Fill 3KM o(83%), Road Formation12.4KM (90%) , 900mm culverts 18lines (95%), Box Culvert 44M*6M*2.5M(L*W*H)(70%) 1No, 38M*6M*3M (70%), 1No, 5M*6M*2M (5%) 1No, 3M*6M*3M (5%)1No	<b>1,547,052,253.75</b> <u>77,352,612.69</u> <b>1,624,404,866.44</b>	<b>974,642,919.86</b>	<b>974,642,919.86</b>	Actual completion date was 14th January 2015 extension was granted to 15 April 2015 due to variations and rainfall, extension to 31st July to complete remain works due to lack of funds and rainfall
<b>5</b>	Kasulu DC	Migongo-Herushingo	Embankment raising 200m, 1m height, light reshaping 5.3KM ,Gravelling 3.4km, culverts 600mm 13lines, 900mm 6lines	Embankment raising 200m, 1m height, light reshaping 5.3KM Gravelling 3.4km, culverts 600mm 13lines, 900mm 6lines	<b>311,184,300.77</b> <u>15,559,215.04</u> <b>326,743,516.81</b>	<b>326,743,516</b>	<b>326,743,515.81</b>	Work completed
<b>6</b>	Magu	Nyagunge-Kwimba Boarder	Embankment raising 1.125KM, gravelling 3.9km, 600mm concrete pipe culverts 4lines, 900mm concrete pipe culverts	Embankment raising 1.125KM, gravelling 3.7km work in progress, 600mm concrete pipe culverts 4lines, 900mm concrete pipe culverts	<b>599,818,267.30</b> <u>29,990,913.37</u> <b>629,809,181.67</b>	<b>472,356,885</b>	<b>472,356,885.40</b>	Works completed

		Kayenze-Kageye	9lines, Box culverts 5Nos, Vented Drift 32M *6.3M width	9lines, Box culverts 5Nos, Vented Drift 32M *6.3M width					
		Bubinza - Badugu-Nyangiri							
7	Mbarali	Rujewa Secondary-Isunura	Embankment raising 200m, gravelling 200m, Box culvert 10M*7M*3.35M 1No(L*W*H)	Embankment raising 200m, gravelling 200m, Box culvert 10M*7M*3.35M 1No(L*W*H)	1,846,144,800.00	1,927,760,100.00	1,812,094,494.00	Completion date was 16th January 2015 but due to additional works and rains the extension date was extended to 14th April 2015	
		Mbarali-Mwanavala	Embankment raising 1.2mh 6km, gravelling 6KM, 7m width,900mm culvert 27 lines	Embankment raising 1.2mh 6km, gravelling 6KM, 7m width,900mm culvert 27 lines					81,615,300.00
		Nyamakuyu-Kinyasuguni	Embankment raising 700m, gravelling 700m, box culvert 15M*7M*3.35M 1No, 900mm pipe culverts 20lines	Embankment raising 700m completed, box culvert construction ongoing					1,927,760,100.00
8	Mufindi DC	Maguvani-Udumuka	Box Culvert 2.5M*7M*1.2M 3Nos, extension 4Nos box culverts 2M*2*1.2M 4Nos, CP 900mm 1line, retaining walls 190m, fill & gravelling 400m	Box Culvert 2.5M*7M*1.2M 3Nos, extension 4Nos box culverts 2M*2*1.2M 4Nos, CP 900mm 1line, retaining walls 190m, fill & gravelling 400m	119,034,456.00	125,055,000.00	125,055,000.00	Work completed	
		Mtego wa Simba-Ngerengere	Planned embankment raising 6,465m3, gravelling 540m3, box culvert 2.5M*7M*2 1No, drift 30m*6m	Box culvert 2.5M*7M*2 1No completed, drift 30m*6m wide completed, other works not done				Contract has been terminated with initial contractor	

9	Morogoro DC		wide, concrete strips 96m3		<b>894,069,357.00</b> <u>44,703,467.85</u> <b>938,772,824.85</b>	<b>704,079,618.64</b>	<b>207,837,445</b>	(Deep Construction Ltd), the works has been re-advertised in 4 lots. The tender was in evaluation since 11th May 2015
		Ubena Zomozi-Ngerengere	Box Culvert Double cells 5M*7M*2.5M 1No, 5M*7M*3.5M 1No	Box Culvert 5M*7M*2.5M up to wing/head wall level, 5M*7M*3.5M 1No formwork on head/wing wall				
		Ngerengere-Kiburumo	Planned earthwork 2,200m3, gravel 186m3, Double Cell Box Culvert 5M*7M*2.5M	No work done				
		Tandai-Tawa	Earthwork 2,932m3, Gravelling 380m3, BC 2.5M*7M*1.2M, Double Cell BCs 2.5M*7M*1.2	No work done				
10	Kilosa	Tende-Tindiga	Selected fill materials for embankment raising 1.2Mh length 9.5KM, gravelling 9.5KM, culverts 900mm 11lines	Embankment raising work ongoing, 11culvert lines installed	<b>1,607,470,478.10</b> <u>84,392,700.00</u> <b>1,691,863,178.10</b>	<b>843,927,000.00</b>	<b>924,754,200.00</b>	Tende - Tindiga road covers 95% of project. Work to be completed

		Ulaya-Malolo	Cut to spoil, light reshaping 600m, gravelling 600m, 4lines of 90mm culvert, side drain 1128m2 (43.6Million)	Work not yet started					before project end date 15th Nov 2015
		Berega-Makuyu	Drift Reinforcement 8,846Kg, Class 25 concrete 146m3, light reshaping 400m and Gravel wearing course 372m3 (84.3m)	Work not yet started					
11	Kondoa	Chemba-Ombiri-Soya	Constructed of Vented drift 65m, width 7M	Drift was completed and approached fill done					
		Munguri-Thawi-Bereko	Two vented drift, i.e. 65m drift and other 60m drift, embankment raising 1mh 400m, gravelling 400m, CP 900mm 10lines	10lines of culverts completed, embankment raising 400m and gravelling completed, drift 65m completed gabion work at aprons, drift 60m completed (Work Completed)	<b>1,062,846,050.00</b>				
		Ntundwa-Hurui	Box Culverts 2.5M*7M*1.4M 2Nos, 5.7M*7M*1.2M 1No, Vented Drift 30M length * 4M width, embankment raising in box culvert approaches 130m height 1.2m	Box Culverts 2.5M*7M*1.4M 2Nos, 5.7M*7M*1.2M 1No, Vented Drift 30M length * 4M width, embankment raising in box culvert approaches 130m height 1.2m (Work Completed)	<u>53,142,302.50</u>	<b>781,194,849.22</b>	<b>781,194,849.22</b>		Approaches were erroded at Chemba-Ombiri-Soya due to heavy rains, drift is in stable condition, request submitted to PMORALG for contingency funding
					<b>1,115,988,352.50</b>				

12	Iringa DC	Ifunda-Itengulinyi-Magunga	Embankment raising 1.8km (0.5m),2.3KM gravelling, construction of box culverts 2Nos 2.5M*4.5M*1.2M	Embankment raising 1.8km (0.5m),2.3KM gravelling, construction of box culverts 2Nos 2.5M*4.5M*1.2M	1,396,129,106.25 <u>69,806,455.31</u> 1,465,935,561.56	879,561,900.00	748,950,109.00	Completion date for all projects 15th April 2015
		Makungati-Igangidungu	Heavy reshaping 300m, cut to spoil 100m3, fill 40m3, gravelling 300m, concrete paving 300m, ditch lining 330m, installation of culvert 600mm 2lines	2lines of 600mm culverts constructed, cut to spoil work done, other works in progress				
		Isimani-Pawaga	Heavy reshaping 2.2KM, Gravelling 2.2KM, concrete strips 1.3km, stone pitching 95m3,Concrete pipe culverts 600mm 5lines	3lines of culverts installed, heavy reshaping 1KM				
13	Kongwa DC	Mlali-Chiwe	Embankment raising 1km, gravelling 1.5m, Construction of 90mm culverts 8 lines, construction of box culvert 1.5mh*2.5m length, construction of bridge 10m span 2Nos	Construction of 90mm culverts 6 lines, construction of box culvert 1.5mh*2.5m length, construction of bridge 10m span 2Nos	317,859,762.50 <u>15,892,988.13</u> 333,752,750.63	333,752,750.63	280,352,310.53	Work completed
		Machenje-Mbande	Embankment raising and gravelling 5.5KM, construction of solid drift 5No, (20m 2Nos, 40m 1No, 60m 1No, 30m 1No), 1No of box culvert 1.5mh*2.5m	Embankment raising and gravelling 5.5KM, construction of solid drift 5No, (20m 2Nos, 40m 1No, 60m 1No, 30m 1No), 1No of box culvert 1.5mh*2.5m	207,301,602.50 <u>10,365,080.13</u> 217,666,682.63	217,666,682.63	211,136,682.15	Work completed

		Kongwa-Kibaigwa	Culvert 1200mm 2lines, 900mm 6lines, 600mm 4line, embankment raising 2.5km, gravelling 6km, Construction of drifts 5Nos (70m, 50m, 2Nos 40m, 20m)	Culvert 1200mm 2lines, 900mm-3 lines, Embankment raising not yet done, gravelling not yet done, drift 4 completed works in progress	<b>789,576,051.00</b> <u>39,478,802.55</u> <b>829,054,853.55</b>	<b>368,898,566.75</b>	<b>319,186,118.62</b>	Completion date was on 5th February 2015, change result completion date to shift to 1st June 2015
<b>14</b>	Hai	Kwa Frank - Kyuu	Box culvert 1.2m*1.2m*2cells, embankment raising 100 m 1.5m height, 2 lines of culvert 0.9m height	Box culvert 1.2m*1.2m*2cells, embankment raising 100 m 1.5m height, 2 lines of culvert 0.9m height	<b>85,159,600.00</b> <u>4,090,400.00</u> <b>89,250,000.00</b>	<b>89,250,000.00</b>	<b>89,250,000.00</b>	Work completed
<b>GRAND TOTAL</b>					<b>15,006,396,359.42</b> <u>743,479,473.92</u> <b>15,749,875,833.34</b>	<b>10,543,619,026.36</b>	<b>9,772,283,767.00</b>	

### 3.9.3 Partnership for Growth (PFG)

PMORALG is implementing “Feed the Future Programme”, funded by USAID through Roads Fund Board. Under this programme, a total of 1,000 km is expected to be rehabilitated in four LGAs of Kilombero DC, Mvomero DC, Kongwa DC and Kiteto DC. In addition, 179.8 km falling under accelerated process (Quick wins) will be rehabilitated in FY 2014/15.

Up to 30<sup>th</sup> June 2015, a total of **TZS. 3,833.17 million** equivalent to **44%** of the received funds **TZS. 8,740.58 million**, were spent on rehabilitation of 166.8 km and the remaining works are on-going as summarized on **table 25** below:

**Table 25: Status of the Feed the Future Projects for FY 2014/2015**

COUNCIL	PROJECT/ ACTIVITY	Project Budget TZS. x 1000	Planned Quantity		Actual Implementation		Progress
			Phy. Km/No	Funds released TZS. x 1000	Phy. Km/No	Financial TZS. x 1000	
<b>Kilombero District Council</b> <b>(Accelerated Process)</b>	Rehabilitation of Mgudeni - Kanyenja road	542,308.00	10.0Km	542,308.00	10.0Km	155,900.00	93%
	Rehabilitation of Mpanga – Ngalimila road	668,789.00	10.0Km	668,789.00	10.0Km	143,194.75	78%
	Rehabilitation of Namawala – Mofu road	1,012,797.90	17.3Km	1,012,797.90	16.6Km	203,247.45	85%
<b>Kiteto DC</b>	Engusero – Matui Njia Panda road	1,129,135.00	25.5Km	1,129,135.00	24.8Km	518,782.35	85%
	Engusero – Orkine road	802,903.00	19.3Km	802,903.00	19.3Km	652,773.50	95%
	Olboloti – Matui road	1,365,027.00	32.1Km	1,365,027.00	32.1Km	851,092.80	95%
<b>Mvomero District Council</b> <b>(Accelerated Process)</b>	Wami - Dakawa -Dihombo road	806,826.10	19.4Km	806,826.10	9.5Km		50%
	Langali – Nyandira road	799,240.50	5.2Km	799,240.50	5.2Km	119,886.07	85%
<b>Kongwa District Council</b> <b>(Accelerated Process)</b>	Pandambili – Njoge road	733,667.00	15.2Km	733,667.00	13.5Km	503,297.00	80%
	Suguta – Kibaigwa road	879,886.00	25.8Km	879,886.00	25.8Km	685,000.00	96%
	<b>TOTAL</b>	<b>8,740,579.50</b>	<b>179.8Km</b>	<b>8,740,579.50</b>	<b>166.8Km</b>	<b>3,833,173.92</b>	

### 3.9.4 Rural Road Maintenance System Development Project

PMORALG is implementing the rural road maintenance system development in Dodoma and Iringa Regions which is financed by JICA. The maintenance guideline document has been finalised and distributed to LGAs. The preparation of LBT Technical Specifications will involve PMORALG, Ministry of Works in collaboration with JICA.

### 3.9.5 Programme on Improvement of Rural Roads (EDF)

The Project for Improvement of Rural Roads in Tanzania has two components:

- (i) The first component is the improvement of rural roads in Iringa and Ruvuma. The Consultant, M/S SMEC International Ltd entered a Contract with the National Authorizing Officer for EDF to design and conduct supervision of the roads to be improved under this component. Physical works were expected to start in the financial year 2014/2015; but the tender which was opened in June 2014 ended in unsuccessful negotiations with the bidder who tendered higher price than **Euros 17.00 million** which was allocated for road works. The procurement processes were later completed and the contracts were expected to be signed on 22<sup>nd</sup> July 2015.
- (ii) The second component of the project is Technical and Managerial Capacity Building of PMORALG in Tanzania – Road Sector. The budget set for this component is **Euros 1.00 million**; and the Consultant company for this component is M/s I.T. Transport Ltd of UK which provides training of LGA Staff, Local Consultants and Contractors.
- (iii) The List of training sessions which have been conducted are as shown on **table 26** below:

**Table 26: List of Training Sessions Conducted Under EU**

S/No	Type of Training	Participants	
		Engineers	Technicians
1.	Design of road pavements by using Dynamic Cone Penetrometer (DCP) Method	32	21
2.	Design of roads by using AUTO CAD	35	22
3.	Contract Management	39	21
4.	Training of field materials test by using light test kits	37	20
5.	Training of Hydrological Drainage Design		18

### 3.10 CHALLENGES OF IMPLEMENTING ROAD MAINTENANCE IN LGAS

The challenges observed from Local Government Authority in implementing road maintenance works are:-

- (i) Insufficient and untimely release of funds which the RFB is working on;
- (ii) Delays in procurement process of works due to the introduction of vetting Procedures which consumes much time to complete. The Ministry is working with Attorney General to find a modality which will speed up the vetting process;
- (iii) Insufficient vehicles for supervision for some Regional Secretariat Engineers; still remained as a bottleneck for effective implementation and supervision of road works. The Ministry

in collaboration with RFB will allocate budget to purchase vehicles for RS Engineers and District Engineers.

- (iv) Inadequate capacity of District Engineers and local contractors to undertake supervision and construction of road works. The Ministry in collaboration with RFB will continue to provide training for both District Engineers and Contractors.

## **PMORALG Financial Statements and Auditors Opinion**

This part of the Audit is performed by the National audit office which conducted an audit of financial statements of PMORALG for the Financial Year and issued various professional opinions. The Financial Statements are presented together with Auditors' opinion.

## 2.0 AUDIT REPORT ON FINANCIAL STATEMENTS

To: Permanent Secretary and Accounting Officer Vote 56,  
Prime Minister's Office, Regional Administration  
And Local Government,  
P.O. Box 1923,  
DODOMA.

RE: REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE  
FINANCIAL STATEMENTS OF THE LOCAL GOVERNMENT ROADS FUND  
FOR THE PRIME MINISTER'S OFFICE REGIONAL ADMINISTRATION AND  
LOCAL GOVERNMENT FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2015

I have audited the Financial Statements of the Local Government Road Fund (LGRF) which comprise the Statement of Financial Position as at 30<sup>th</sup> June, 2015 and Statement of Financial Performance, Statement of Changes in Net Assets and Cash Flows Statement For the year then ended and Summary of Significant Accounting Policies and other Explanatory Information as shown in Annexure I of this report.

### **Management's Responsibility on the financial statement**

Management of Road Fund at PMO - RALG is responsible for preparation and fair presentation of these financial statements for each financial year, which give a true and fair view of receipts and payments of the Road Fund as at the financial year ended 30<sup>th</sup> June, 2015. It also, requires management to ensure the Road Fund management keeps proper accounting records, which will disclose with reasonable accuracy at any time the cash flow of the Road Fund. They are also responsible for safeguarding the assets of the Road Fund.

The financial statements required to be prepared using appropriate accounting polices supported by reasonable and prudent judgments and estimates, in conformity with the International Public Sector Accounting Standard (IPSAS) - cash basis of accounting, and in the manner required by section 25(4) of the Public Finance Act, 2001.

In addition, Reg. 28-35 of the Public Finance Regulations (PFR) 2001 as revised in 2004 requires the Accounting Officer and the organization management to establish an effective internal control system, internal audit unit and audit committee appropriate to the circumstances of the Road Fund.

### **Responsibilities of the Controller and Auditor General**

My responsibility as an auditor is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards of Supreme Audit Institutions and such other procedures I considered necessary in the circumstances. These standards require that I comply with ethical requirements and plan and perform

4

the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, I considered the internal control relevant to the Local Government Road Fund (LGRF) preparation and fair presentation of the financial statements 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 Local Government Road Fund (LGRF) internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

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

Further, Sect 48(3) of the Public Procurement Act No.7 of 2011 and Regulation 269 (1) of the Public Procurement Regulations, 2013 require me to state in my annual audit report whether or not the auditee has complied with the provisions of the Law and its Regulations.

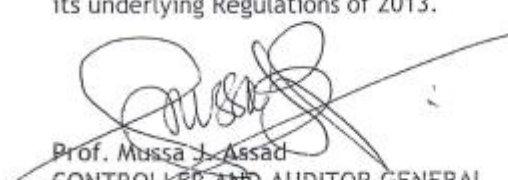
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Unqualified opinion**

In my opinion, the Financial Statements present fairly, in all material aspects, the Financial Position of the Local Government Road Fund (LGRF) as at 30<sup>th</sup> June 2015, and of its Financial Performance and its Cash Flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS) Accrual Basis of Accounting.

#### **Report on Compliance with Procurement Legislation**

In view of my responsibility on the procurement legislation, and taking into consideration the procurement transaction I have reviewed as part of this audit I state that, the Local Government Road Fund (LGRF) has generally complied with the requirements of the PPA No.7 of 2011 and its underlying Regulations of 2013.

  
Prof. Mussa J. Assad  
CONTROLLER AND AUDITOR GENERAL

March, 2016



**Copy to:** The Chief Secretary,  
State House,  
P.O. Box 9120,  
1 Barack Obama Road  
11400 DAR ES SALAAM

Permanent Secretary and Paymaster General,  
Ministry of Finance,  
P.O. Box 9111,  
1 Madaraka Street  
11468 DAR ES SALAAM.

Permanent Secretary,  
Prime Minister Office - Regional Administration and Local  
Government,  
P.O. Box 1392,  
DAR ES SALAAM.

## **LGAs Financial Statements and Auditors Opinion**

This part of the Audit is performed by the National audit office which conducted an audit of financial statements of LGAs for the Financial Year and issued various professional opinions. The Financial Statements are presented together with Auditors' opinion.

**3.0 AUDIT REPORT ON THE ROADS FUND ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30<sup>th</sup> JUNE, 2015**

Permanent Secretary,  
Prime Minister's Office - Regional Administration and Local  
Government,  
P.O Box 1923,  
DODOMA.

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE ROADS FUND ACTIVITIES FOR THE PERIOD ENDED 30<sup>th</sup> JUNE, 2015**

I have audited the financial statements of the Roads Fund's activities for the year ended 30<sup>th</sup> June, 2015.

**Responsibilities of the Management of Roads Fund**

The Manager of the Roads Fund Board is responsible for coordinating, monitoring and evaluating the effectiveness of the Roads Fund's activities.

In addition, Section 25 of the Public Finance Act No.6 of 2001 (revised 2004) together with Section 40 of the Local Government Finances Act of 1982 (revised 2000), requires Accounting Officers to keep and maintain accounts and prepare financial statements in respect of LGAs operations including the Roads Fund operations in a manner that promotes transparency and accountability.

**Responsibility of the Controller and Auditor General**

My responsibility as auditor is to express an independent opinion on the financial statements based on the audit. I am also required to satisfy myself whether the funds received by the Roads Fund Board were used exclusively and judiciously to meet eligible expenditures with due regard to economy and efficiency in accordance with the Roads Fund Memorandum of Understanding.

In addition, Section 44(2) of the Public Procurement Act No.21 of 2004 and Regulation No. 31 of the Public Procurement (Goods, Works, Non-consultant services and Disposal of Public Assets by Tender) Regulations G.N 97 of 2005 requires me to state in my annual audit report whether or not the auditee has complied with the provisions of the law and its regulations.

**Basis of opinion**

The audit was conducted in accordance with International Standards on Auditing (ISA) included such other audit procedures I considered necessary in the circumstances. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the Roads Fund transactions are free of material misstatements.

An audit includes examining on a test basis evidences supporting the amounts and disclosures in the financial transactions of the Roads Fund activities including assessing the significant estimates and judgments made in the preparation of the financial statements, assessing whether the internal control system and the accounting policies are appropriate to the circumstances of the Roads Fund activities and that they have been consistently applied and adequately disclosed. It also involves, evaluating the overall financial statements presentation and assessing the extent of compliance with the relevant statutory requirements. I believe the audit provides a reasonable basis for my opinion.

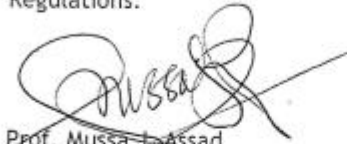
**Audit Opinion**

In my opinion, except for the matters pointed out in the individual management letters submitted to the Local Government Authorities audited, the financial statements of the Roads Fund for the year ended 30<sup>th</sup> June 2015 have been issued with the following audit opinions:-

S/No.	Type of opinion	Number of Councils	%
1	Unqualified	153	94
2	Qualified	9	5
3	Disclaimer	1	1
	<b>Total</b>	<b>163</b>	<b>100</b>

**Report on Compliance with Procurement Legislation**

In view of my responsibility on the procurement legislation, and taking into consideration the procurement transactions and processes I have reviewed as part of this audit, I state that, except for the procurement transactions queried in the individual management letters issued separately to the audited Councils, the Councils have generally complied with the requirements of the PPA No.21 of 2004 and its underlying Regulations.



Prof. Mussa J. Assad

**CONTROLLER AND AUDITOR GENERAL**

The National Audit Office,  
DAR ES SALAAM.



October, 2016

**Copy to:** Chief Secretary,  
State House,  
P.O. Box 9120,  
DAR ES SALAAM.

Dr. James Wanyancha,  
Chairman - Roads Fund Board,  
P.O. Box 12497,  
DAR ES SALAAM.

Permanent Secretary and Paymaster General,  
Ministry of Finance,  
P.O. Box 9111,  
DAR ES SALAAM.

Permanent Secretary,  
Prime Minister's Office,  
P. O. Box 3021,  
DAR ES SALAAM.

**PART FOUR: PERFORMANCE OF THE TANZANIA  
NATIONAL ROADS AGENCY**

## PART FOUR: PERFORMANCE OF TANZANIA NATIONAL ROADS AGENCY

### 4.1 INTRODUCTION

This part presents status of performance of the activities that were implemented by TANROADS during FY 2014/15 as agreed upon in the Performance Agreement that was signed between the Board and TANROADS.

The share of amount of funds allocated to TANROADS as determined by existing allocation formula is 63% of the total road maintenance funds received by the Fund. The maintenance works covered include: Routine/recurrent maintenance; Periodic maintenance; Spot improvement; Bridge preventive measures; Bridge major repairs and emergency works, PMMR project; and Weighbridge maintenance and improvement.

### 4.2 THE MAINTENANCE BUDGET

The road maintenance budget for TANROADS in FY 2014/15 was **TZS. 469,494.9 million**. The breakdown of this budget is shown in the **Table 27** below.

**Table 27: Summary of Road Maintenance Budget for FY 2014/15 (TZS Mill)**

S/NO	BUDGET COMPONENTS	AMOUNT	%AGE
<b>1</b>	<b>WORKS COMPONENTS</b>		
<b>1.1</b>	Trunk Roads	131,384.788	27.90
<b>1.2</b>	Regional Roads	225,517.360	48.03
<b>1.3</b>	Emergency & Urgent	11,013.750	2.35
<b>1.4</b>	Restoration works of Damaged Roads due to Rains	31,689.001	6.75
<b>1.4</b>	PMMR Project Phase two	1,000.000	0.21
<b>1.5</b>	W/bridge Maintenance & Improvements	19,690.000	4.19
<b>1.6</b>	HQ Based Activities	6,222.000	1.33
	<b>Total Works</b>	<b>426,516.900</b>	<b>90.85</b>
<b>2</b>	<b>NON WORKS</b>		
<b>2.1</b>	Administration Costs	13,100.000	2.79
<b>2.2</b>	Supervision Costs	17,000.000	3.62
<b>2.3</b>	Weighbridge Costs	12,880.000	2.74

	<i>Total Non-Works</i>	<b>42,980.000</b>	<b>9.15</b>
	<b>TOTAL ROADS FUND</b>	<b>469,494.900</b>	<b>100.00</b>

Source: TANROADS & RFB

### 4.3 ROAD NETWORK

TANROADS maintains the national road network which by 30<sup>th</sup> June 2015 was 35,000 km comprising of 12,786km of trunk roads and 22,214km of regional road and its status of pavement is as analysed in **Table 28** below.

**Table 28: Roads Network Lengths by March 2015**

ROAD TYPE		LENGTH	TOTAL LENGTH
TRUNK	PAVED	7,342.13	12,786
	UNPAVED	5,443.87	
REGIONAL	PAVED	1,321.09	22,214
	UNPAVED	22,214	
<b>TOTAL</b>		<b>35,000</b>	<b>35,000</b>

Source: TANROADS

### 4.4 THE ROAD NETWORK CONDITION

The overall road network condition was assessed in June, 2015 and results indicate that 39% were good, 48% were fair and 13% were poor. The network in good and fair condition was assessed to be 87% while that in poor condition was 13%. The assessment is based on the condition survey conducted using RMMS procedures during the fourth quarter FY 2014/15.

**Figure 15** below provides road condition for paved and unpaved Trunk and Regional roads in five consecutive years from FY 2010/11 to FY 2014/15.

**Figure 15: Trend of Condition for Trunk and Regional Roads**



**Source:** TANROADS

The decrease in the overall road condition was due to unstable nature of the unpaved roads that are susceptible to drastic change during rainy season and inadequate maintenance in FY 2014/15.

#### **4.5 PHYSICAL AND FINANCIAL PERFORMANCE**

Up to 30th June 2015, a total of **TZS. 187,457.238 million** equal to 40% of the total annual budget was received by TANROADS.

The total expenditure for Trunk roads was **TZS. 39,668.016 million** against a budget of **TZS. 131,384.788 million** which is 30.2%, while physical performance achievement was 71%.

Expenditure for Regional roads was **TZS. 68,520.689 million** compared to annual plan of **TZS. 225,517.360 million** which is 30.3% and its physical performance recorded 69% against annual targets. The detail of annual performance is shown in **Table 29** and **30** below.

**Table 29: Performance of Trunk Roads in FY 2014/15**

ACTIVITY	PHYSICAL				FINANCIAL (Mio. TZS)		
	UNIT	Annual Plan	Cumm. Actual	% Actual	Annual Plan	Cumm. Actual	% Actual
Routine & Rec. - P	Km	6,659.8	5,498.6	83%	27,721.836	11,244.799	41%
Routine & Rec. - Up	km	3,730.5	2,787.0	75%	13,431.812	4,354.665	32%
Periodic mtce - P	km	248.4	150.3	60%	60,254.253	12,658.047	21%
Periodic mtce - Up	km	726.1	643.9	89%	16,780.598	7,920.969	47%
Spot Impr - P	km	18.4	13.3	72%	2,031.765	616.437	30%
Spot Impr.t - Up	km	70.6	58.6	83%	1,359.221	133.230	10%
<b>Sub-total km</b>		<b>11,453.7</b>	<b>9,151.7</b>	<b>80%</b>	<b>121,579.485</b>	<b>36,928.147</b>	<b>30%</b>
Bridges Preventive	Nos.	1,286	1,050.8	82%	1,930.044	922.681	48%
Bridges repairs	Nos.	78	43.1	55%	7,875.259	1,817.187	23%
<b>Sub-total bridges</b>		<b>1,364</b>	<b>1,093.9</b>	<b>80%</b>	<b>9,805.303</b>	<b>2,739.869</b>	<b>28%</b>
<b>Overall Percentage</b>				<b>71%**</b>	<b>131,384.788</b>	<b>39,668.016</b>	<b>30.2%</b>

**Table 30: Performance of REGIONAL Roads in FY 2014/15**

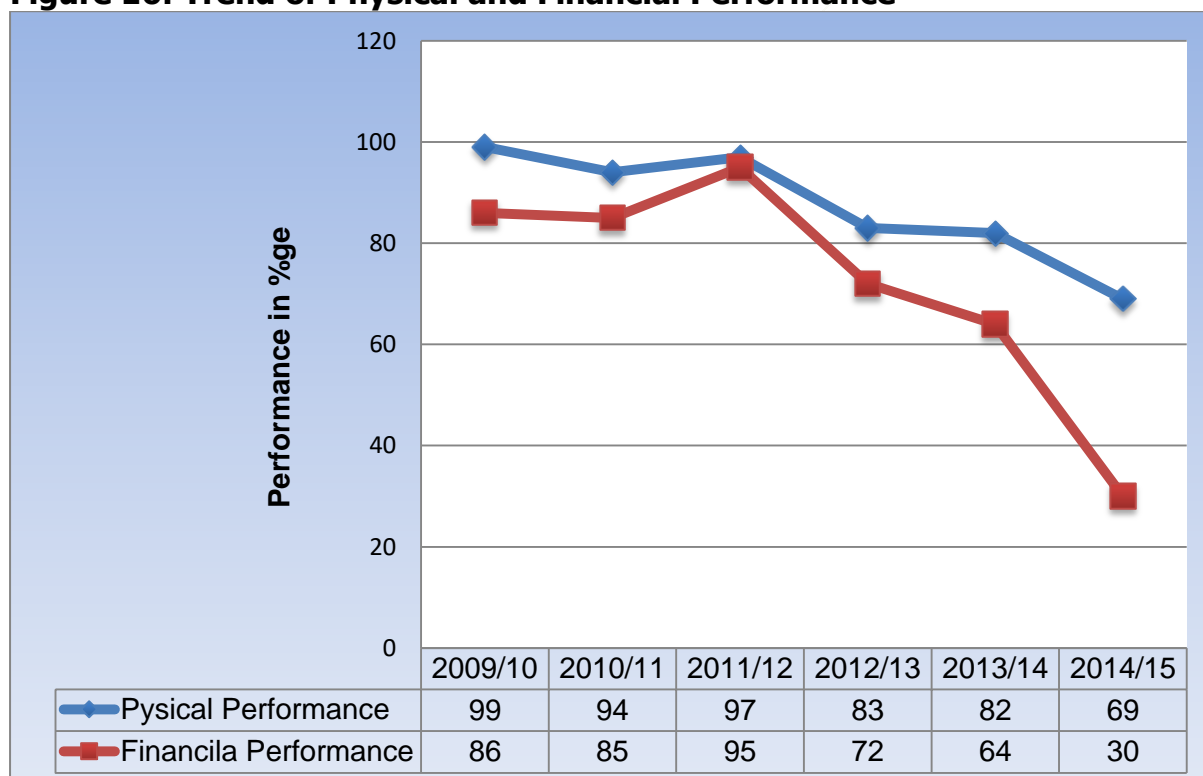
ACTIVITY	PHYSICAL				FINANCIAL (Mio. TZS)		
	UNIT	Annual Plan	Cumm. Actual	% Actual	Annual Plan	Cumm. Actual	% Actual
Routine & Rec. - P	km	1,090.0	816.1	75%	4,629.275	2,192.345	47%
Routine & Rec. - Up	km	19,651.9	12,503.4	64%	54,617.534	15,618.365	29%
Periodic mtce - P	km	159.9	126.3	79%	52,049.234	12,292.187	24%
Periodic mtce - Up	km	3,367.6	2,192.1	65%	69,648.848	23,479.624	34%
Spot Impr - P	km	8.2	9.2	113%	1,289.040	469.684	36%
Spot Impr.t - Up	km	1,006.5	615.0	61%	18,984.760	5,056.177	27%
<b>Sub-total km</b>		<b>25,284.2</b>	<b>16,262.0</b>	<b>68%</b>	<b>201,218.690</b>	<b>59,108.381</b>	<b>29%</b>
Bridges Preventive	Nos.	1,264	838	66%	2,290.516	895.213	39%
Bridges repairs	Nos.	176	123	70%	22,008.154	8,517.095	39%

<b>Sub-total bridges</b>		<b>1,440</b>	<b>962</b>	67%	<b>24,298.670</b>	<b>9,412.308</b>	39%
<b>Overall Percentage</b>				<b>69%**</b>	<b>225,517.360</b>	<b>68,520.689</b>	<b>30.4%</b>
<b>GRAND TOTAL FOR WORKS</b>	km	<b>36,737.9</b>	<b>25,413.7</b>	69%	<b>356,902.149</b>	<b>108,188.706</b>	<b>30.3%</b>
	<b>Bridges</b>	<b>2,804</b>	<b>2055</b>				

Source: TANROADS

Up to 30th June 2015, the physical and financial performance was 69% and 30.3% respectively. The financial performance was low due to delay on transfer of funds from the Treasury to the RFB account leading to delay in disbursement of funds to the Implementing Agencies. **Figure 16** shows the trend of physical and financial performance of TANROADS.

**Figure 16: Trend of Physical and Financial Performance**



Source: TANROADS & RFB

#### 4.6 EMERGENCY WORKS:

Following heavy rains in regions from November 2013 to June 2014, several roads were damaged on the trunk and regional roads network. Fourteen regions reported emergency cases of the road damages. The emergency works to restore passability were executed in shortest possible time to allow traffic flow. Other urgent works

(permanent works) were at various stages to reinstate the affected roads to its original state.

#### **4.7 STATUS OF TANROADS ABSORPTION CAPACITY**

Inability to utilise funds as planned in the year, normally results in funds being extended to the next financial year. The FY 2014/15 experienced erratic and inadequate releases of funds from the Roads Fund Board resulting to 70% and 43% physical and financial performance respectively. However, TANROADS registered inadequate absorption capacity, as maintenance works of 28,451 km and 2,274 bridges rolled over from FY 2013/14 to FY 2014/15, were still continuing at various stages as at 30th June 2015.

#### **4.8 PERFORMANCE-BASED MANAGEMENT AND MAINTENANCE OF ROADS**

The procurement for a consultant to design the new phase of Performance –Based Management and Maintenance of Roads (PMMR) was on-going. By 30<sup>th</sup> June 2015, evaluation of submitted technical proposals for procurement of Consultant for designing of a PMMR project for selected paved and unpaved roads along trunk and regional roads by the shortlisted Consultants was on progress.

#### **4.9 VEHICLE AXLE LOAD CONTROL**

The Axle load control is a routine exercise undertaken by TANROADS to control vehicle overloading along the trunk and regional roads networks. Both fixed and mobile weighbridges are used in the exercise. Vehicle Axle Load Programme in FY 2014/15 comprised of operations of weighing vehicles at 36 permanent stations and 17 mobile sites; repair and improvement of weighbridges; and attending to projects under East Africa Cooperation in connection with Vehicle Load Control.

#### **4.10 WEIGHING OF VEHICLES**

Up to 30<sup>th</sup> June 2015, a total of 3,488,537 vehicles were weighed of which 49,724 vehicles equivalent to 1.43% were found to be overloaded beyond 5% allowable limit and were fined as shown in **Table 31** below:

**Table 31: Axle Load Control in FY 2014/15**

Quarter	Weighed Vehicles	Overloaded Vehicles		Overloaded >5% Tolerance		Imposed Fines TZS	Collected Fines TZS
	No.	No.	%age	No.	%age		
1 <sup>st</sup>	861,041	218,924	25.43	14,082	1.64	1,452,877,107.57	1,299,040,296.57
2 <sup>nd</sup>	879,922	225,905	25.60	13,155	1.50	1,239,591,251.66	1,204,130,889.66
3 <sup>rd</sup>	843,056	224,985	26.7	11,038	1.31	1,328,945,835.60	1,272,935,870.60
4 <sup>th</sup>	904,518	270,632	29.9	11,449	1.27	1,469,210,082.20	1,440,084,544.80
<b>Total</b>	<b>3,488,537</b>	<b>940,446</b>	<b>26.91</b>	<b>49,724</b>	<b>1.43</b>	<b>5,590,624,277.03</b>	<b>5,216,191,601.63</b>

Source: TANROADS

#### 4.11 ROAD RESERVE MANAGEMENT:

All regions carried out various activities to protect the road reserve against encroachers. The activities included marking of illegal structures, installing marker posts; awareness campaigns; and demolition of structures. A total of **TZS 357.993** million was spent for road reserve management up to the end of FY 2014/15.

#### 4.12 PROJECTS UNDER EAST AFRICAN TRADE AND TRANSPORT FACILITATION PROJECT (EATTFP)

Construction of three Weighbridges at Vigwaza, Horohoro and Sirari were completed on May 2015 and became operational on June 2015.

#### 4.13 ROAD SAFETY MANAGEMENT:

All regions were carrying out various activities to provide safe road to road users. The activities included road marking, installation of road/information signs, construction of rumble strips, installation/replacement of guardrails, and construction of standard road humps and installation/replacement of traffic lights. A total of TZS.702.381 was spent on road safety management up to 30<sup>th</sup> June 2015. A total of **TZS 1,385.245 million** was the cost implication due to vandalism/damages to road furniture and structures up to June 2015.

#### 4.14 ROAD MAINTENANCE MANAGEMENT SYSTEM:

TANROADS Road Maintenance Management System, RoadMentor-5, is equipped with Database for storing network data; and modules for estimation of annual budget needs for Routine, Periodic and Spot Improvement and prioritising the needs under budgetary constraints. Other modules include the Budget Split module for distribution of road maintenance budget between Regions and maintenance activities and the Contract Monitoring Module (CMM) for assisting the Regional Manager's offices in the planning, monitoring of works contracts and preparation of progress reports. TANROADS Road Maintenance Management System is interfaced with Geographical

Information System (GIS), which basically add the value of data and analysis results stored in the database by showing them on maps. The GIS system also produces standard maps of different themes as may be required. In order to facilitate medium and long term planning the RMMS is integrated with Highway Development and Management tool (HDM-4); data required for HDM-4 are prepared by RMMS and exported to HDM-4 for analysis.

During the period under review, the following RMMS activities were carried out:

- (i) Burgs identification and quality assurance of system improvement;
- (ii) Production and distribution of GIS maps of different themes as requested by users;
- (iii) Assistance to regions on application of the RMMS provided;
- (iv) Collection of network condition data for paved roads by using ROMDAS (Bump Integrator System and Laser Profilometer);
- (v) Provision of various network data within TANROADS and to external stake holders as requested;
- (vi) Awareness workshop to select MOW, RFB,-RALG, Ministry of Lands, etc. This was presented as part of the Stakeholders workshop prepared by RFB to discuss the TOR for network data collection;
- (vii) QA of inventory and condition data submitted by regional offices; and
- (viii) Procurement of Supplier for supply of automatic traffic count machines continued.

#### **4.15 BRIDGE MANAGEMENT SYSTEM (BMS)**

TANROADS is operating the BMS as a tool for keeping bridge data, planning and for implementing bridge programmes. Operational activities of the system include data entry into the system, updating of the system to cope with current computer technologies and training of staff on its application.

During the period under review, the training on the new features of TANBRIDGEMAN software to the users (Engineers and Technicians) from Regional Managers' Offices was not carried out due to shortage of funds. The training was rescheduled to be conducted in the next financial year. **TZS.116.29 million** was disbursed to the regions for carry out bridge condition inspection and data entry into the HQ Tan-Bridgeman server through WAN.

#### **4.16 ROAD MAINTENANCE CHALLENGES FOR NATIONAL ROADS**

The Agency has been facing several challenges in the course of implementing the road maintenance programmes. The main challenges are described in **Table 32**.

**Table 32: Road Maintenance Challenges and Way Forward**

Challenges	Details of the challenges	Way forward
<b>1.Delays in releases of funds and delays associated with procurement process</b>	Release of delayed up to 2 <sup>nd</sup> Quarter which affected implementation of work programme. Similarly vetting of contracts all delayed further implementation of maintenance works.	TANROADS in collaboration with the MoW and RFB are working together to address the two challenges.
<b>2.Damage to Road Furniture</b>	Traffic lights, streetlights, road signs, etc. were knocked down frequently especially in urban areas Road furniture like road signs, guide rails, etc. are being vandalised/stolen along the roads.	Through regular maintenance and road safety programs TANROADS continued to: <ul style="list-style-type: none"> <li>(i) Restoration of damaged and vandalized road furniture.</li> <li>(ii) Use of less attractive materials such as concrete elements as being done in Shinyanga and Mbeya regions.</li> <li>(iii) Awareness campaigns through the forums like road safety weeks, Regional Roads Board meetings, public meetings, flyers and mass media.</li> <li>(iv) Arrange incentives for villagers living along the roads who provide reports or hints leading to a apprehending of culprits</li> <li>(v) Strict enforcement of the law</li> </ul>
<b>3.Speeding</b>	Over - Speeding and reckless driving was a major cause of accidents and also led to damage of road furniture.	TANROADS continued to mitigate the problem through: <ul style="list-style-type: none"> <li>(i) Construction of appropriate road humps with necessary signage where approved. Standards will be emphasized.</li> <li>(ii) Installation and replacement of damaged/vandalized Speed limit signs at appropriate locations on the roads</li> <li>(iii) Conducting of Awareness campaigns through the forums like road safety weeks</li> <li>(iv) Strict enforcement of the law.</li> </ul>

Challenges	Details of the challenges	Way forward
<b>4. Road Reserve Management</b>	Road reserve encroachment was being observed on some of our roads. Temporary and permanent structures are erected illegally. A number of cases challenging the road reserve clearance exercise are in court.	TANROADS continued to address the problem through effort such as: (i) Erecting end of road reserve marker post. (ii) Marking 'X' on illegal structures and issuing relevant notices. (iii) Handling of court cases. (iv) Installation of road reserve marker posts on newly upgraded roads and in areas that are unoccupied.
<b>5. Low capacity of the local construction industry.</b>	Many local contractors do not own necessary plant and equipment for road works. They depend on hiring.	The agency promotes any measures aimed at improving availability of plant and equipment in the construction industry. These include: (i) Improved packaging of contracts which would be sufficient to allow growth of contracting firms (ii) Attract Investors by advertising business opportunities in Road Construction and Maintenance works.
<b>6.Contracts Management Skills among Supervising Staff</b>	There was limited number of staff with capacity to manage contracts	Budget is allocated to training more staff in contract management.

## **TANROADS Financial Statements and Auditors Opinion**

This part of the Audit is performed by the National audit office which conducted an audit of financial statements of TANROADS for the Financial Year and issued various professional opinions. The Financial Statements are presented together with Auditors' opinion.

## 2.0 AUDIT REPORT ON THE FINANCIAL STATEMENTS

To: The Chief Executive Officer,  
TANROADS,  
P.O. Box 11364,  
DAR ES SALAAM.

RE: REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE  
FINANCIAL STATEMENTS OF TANZANIA NATIONAL ROADS AGENCY  
(TANROADS) FOR THE YEAR ENDED 30TH JUNE, 2015

### Introduction

I have audited the Financial Statements of TANROADS which comprise the Statement of Financial Position as at 30<sup>th</sup> June, 2015 and Statement of Financial Performance, Statement of Changes in Net Assets and Cash Flows Statement for the year then ended and Summary of Significant Accounting Policies and Other Explanatory Information as shown in Annexure I of this report.

### Management Responsibility for the financial statements

Management of TANROADS is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error as per the Statement of Management responsibility on the Financial Statements enclosed in this report as Annexure II.

### Responsibilities of the Controller and Auditor General

My responsibility as an auditor is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards of Supreme Audit Institutions and such other procedures I considered necessary in the circumstances. These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, I considered the internal control relevant to the Agency's preparation and fair presentation of the financial

statements 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 Agency's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

#### **Unqualified opinion**

In my opinion, the Financial Statements present fairly, in all material respects, the Financial Position of the TANROADS as at 30<sup>th</sup> June 2015, and of its Financial Performance and its Cash Flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting.

#### **Emphasis of matter**

Without qualifying my opinion, I draw the attention of the users of this report on the following:

- **Nugatory expenditure from penalty due to delayed payments of claim certificates TZS 205.4 billions**  
I noted TZS 205.4 billion as an interest charged from penalty due to delays in payment of contractors claims with respect to 87 projects implemented by TANROADS during the year. I am of the view that, these payments could have been avoided if due care was exercised in timely payment of the claims.
- **Unpaid long outstanding contractors claims worth TZS 4.5 billion and USD 20.3 billion**  
I noted long outstanding Interim Certificates Claims (IPCs) amounting to TZS.4.5 billion and USD 20.3 billion for various projects implemented by TANROADS. I am of the view that, in future these delays in payment of contractors' claims may attract unnecessary interests and penalties resulting to nugatory expenditure to the Government.

**Report on Other Legal and Regulatory Requirements  
Compliance with Procurement Legislation**

In view of my responsibility on the procurement legislation, and taking into consideration the procurement transactions I have reviewed as part of this audit, I state that TANROADS has generally complied with the requirements of PPA No.7 of 2011 and its underlying Regulations of 2013

  
Prof. Mussa J. Assad  
**CONTROLLER AND AUDITOR GENERAL**



March, 2016

Copy to: The Chief Secretary,  
State House,  
P.O. Box 9120,  
1 Barack Obama Road  
11400 DAR ES SALAAM

Permanent Secretary and Paymaster General,  
Ministry of Finance,  
P.O. Box 9111,  
1 Madaraka Street  
11468 DAR ES SALAAM.

## **PART FIVE: TECHNICAL AUDIT REPORT**

## PART FIVE: TECHNICAL AUDIT REPORT

### 5.1 BACKGROUND

Article 143 of the Constitution of the United Republic of Tanzania mandates the Controller and Auditor General to Audit functions as stipulated clearly in sections 11 and 12. Pursuant to Part II, Section 4 of the Road and Fuel Tolls Act CAP 220, the Board also is mandated to ensure that; the money deposited in the Fund shall not be used for any other purposes other than those provided for in the Act.; and the money deposited in the Fund shall be audited by the Controller and Auditor General or any other qualified auditor appointed by the Board after the approval of the Controller and Auditor General.

### 5.2 TECHNICAL AUDIT REPORT FOR FY 2014/15

The Roads and Fuel Tolls Act, CAP 220 provides appointment, subject to approval by the Controller and Auditor General, of an Auditor to carry out the audit of the Fund. Under this mandate and in order to ensure effective use of the Fund by the Implementing Agencies, the Board appoints independent experts as consultants to perform Technical Audit of all road maintenance works financed by the Fund.

### 5.3 OPINION ON THE IMPLEMENTING AGENCIES

#### 5.3.1 Planning, Design and Tender Documentation

A summary of trend of performance with respect to planning, design and tender documentation for TANROADS and LGAs during the reporting period is shown in **Table 33** below:

**Table 33: Trend of Performance for Project, Design and Tender Documentation**

S/N	Roads Agency	2013/14	2014/15	Average
1	TANROADS	72.4%	71.76%	<b>72.1%</b>
2	LGAs	49.6%	49.8%	<b>49.7%</b>
<b>Overall Average</b>		<b>61%</b>	<b>60.8%</b>	<b>61%</b>

**Source:** Roads Fund Board, 2015

From Table 33 above, TANROADS performance in planning, design and tender documentation had dropped by about 0.6% from 72.4% in FY 2013/14 to 71.76% in FY 2014/15. Nonetheless average performance was high at about 72.1% for the observed years. On the other hand, LGAs' performance in planning, designing and

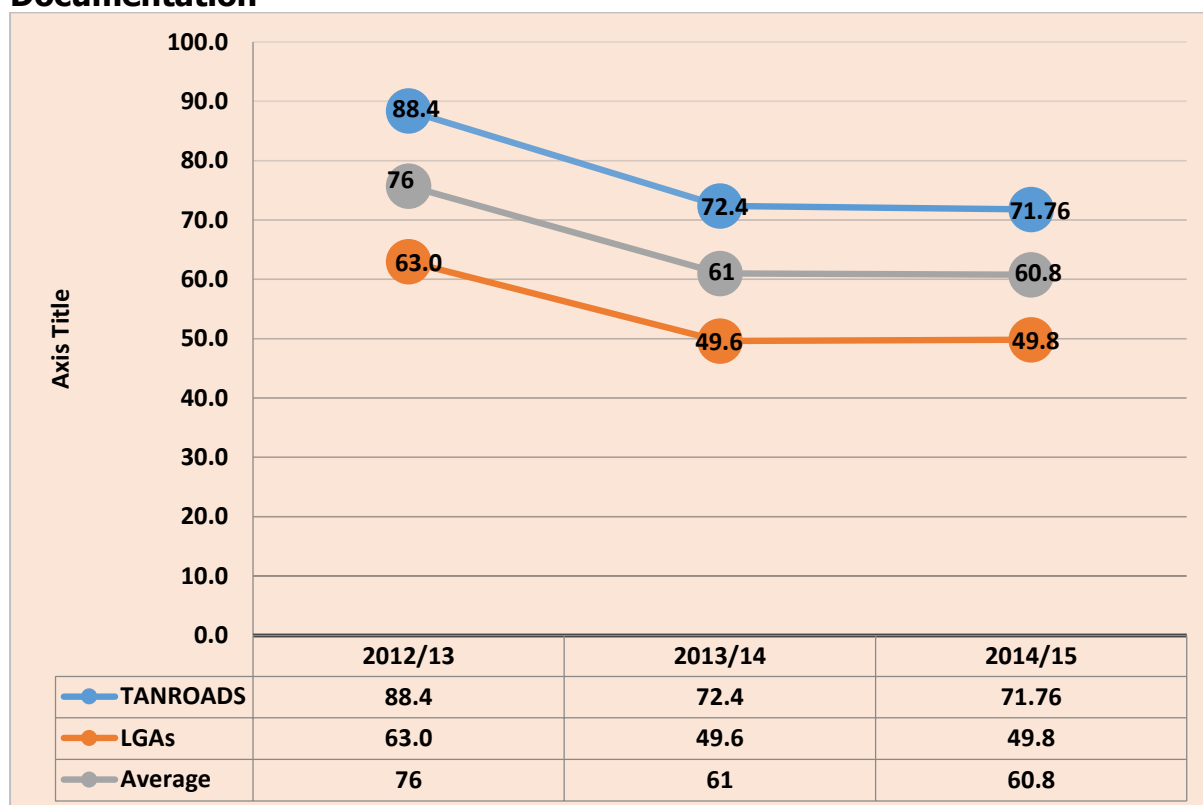
tender documentation had improved by about 0.2% from 49.6% in the 2013/14 to 49.8% in the year 2014/15. On average, LGAs' performance in this stage had been very low at about 49.7% during these financial years under review.

In terms of average performance in planning, design and tender documentation for both TANROADS and LGA, the performance dropped by 0.2% from 61% in FY 2013/14 to 60.8% in the year 2014/15. As far as the overall average is concerned, their performance in this stage was high at about 61% for the observed years although TANROADS performed better by 22.4% as compared to LGAs.

It is further observed that the performance was dropping due to weakness in undertaking planning and design processes. The Management had been underperforming in areas such as compliance between project planning with requirements of agreement and inappropriate technical specifications. Other areas include inaccurate BOQ; engineers' estimates as well as design calculation and technical drawings. Also there was lack of maintenance planning software on the part of LGAs and lack of road inventory and condition survey.

The trend of performance for TANROADS and LGAs in planning, design and tender documentation is shown in **Figure 17** below.

**Figure 17: Trend of Performance in Project, Design and Tender Documentation**



Source: Roads Fund Board, 2015

### 5.3.2 Procurement stage

Table 34 shows the performance trend of road agencies in terms of procurement stage during processing of tenders for roads maintenance projects in their mandated areas.

**Table 34: Procurement Stage**

S/N	Roads Agency	2013/14	2014/15	Average
1	TANROADS	86.3	83.6	85
2	LGAs	73.3	68	70.7
<b>Overall Average</b>		<b>79.2</b>	<b>75.8</b>	<b>78</b>

Source: Roads Fund Board, 2015

Table 34 shows that TANROADS performance in procurement stage had dropped by about 2.7% from 86.3% in 2013/14 to 83.6% in 2014/15. However, on average, performance in procurement has been high at about 85% for the observed years. For the case of LGA, the performance in the procurement stage had dropped by about 5.3% from 73.3% in FY 2013/14 to 68% in FY 2014/15. On average, LGAs'

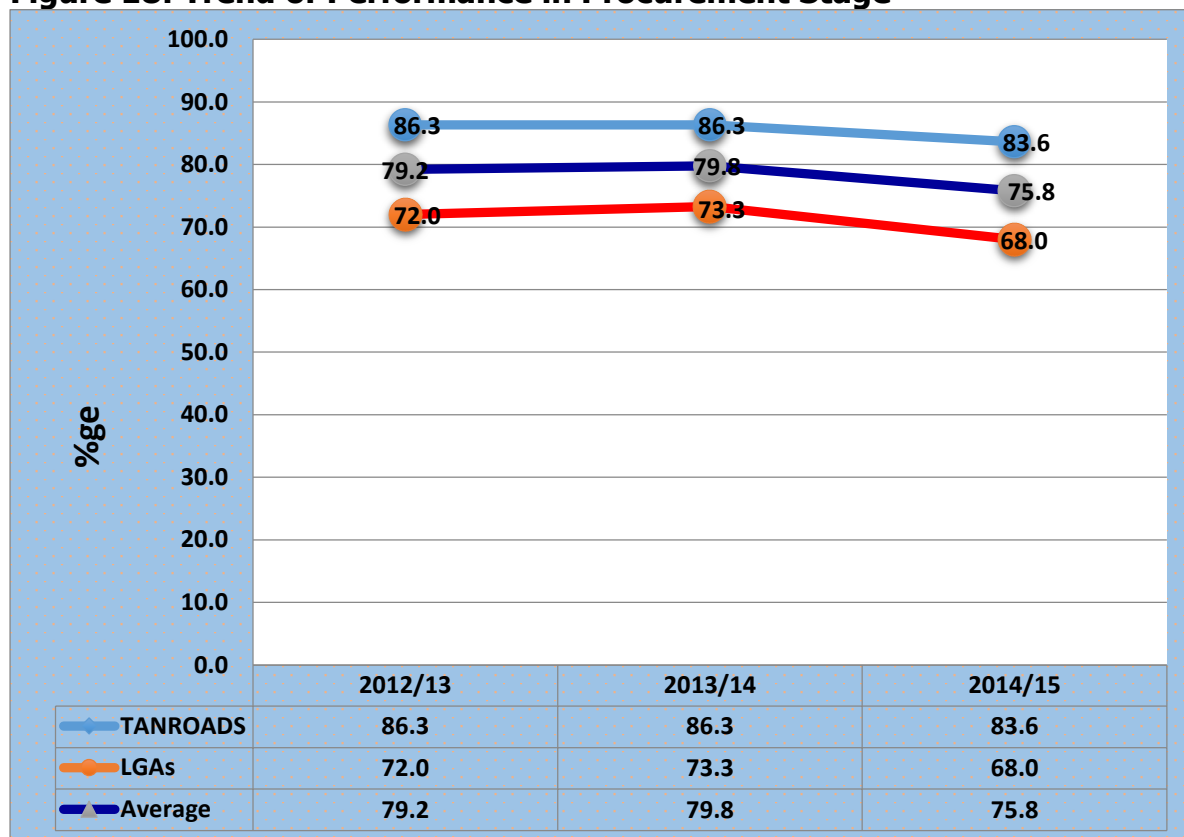
performance at the procurement stage had been high at about 70.7% for the observed years.

Overall combined average for both TANROADS and LGAs' performance had dropped by about 3.4% from 79.2% in FY 2013/14 to 75.8% in FY 2014/15. Total overall average performance for this stage was high at about 78% for the observed years. The performance of TANROADS' was much better by 14.3% compared to the performance of LGAs.

Road agencies performance for the procurement stage has dropped compared to previous trends. Road agencies have dropped in performance due to non-compliance with PPA 2011 and Regulations 2013. Most of the procurement procedures were not observed during the process of hiring contractors. It has been observed that in most of the projects there was no publication of awards, unsuccessful bidders were not informed, advertisement was done only once and corrections of errors was not communicated to bidders. Also the procurement process took too long due to lengthy vetting processes thus leading to delays in awarding contracts. In most of the LGAs negotiation meetings were not held and this led to hiring of incompetent bidders which were not competent enough to handle the size of projects.

Although, Road Agencies performance in procurement stage has dropped compared to the previous year, on average they are still performing better. The trend of performance for the past three years is shown in **figure 18 below**.

**Figure 18: Trend of Performance in Procurement Stage**



Source: Roads Fund Board, 2015

### 5.3.3 Construction Stages

Performance implementing agencies in the stage of construction is as shown in **Table 35** below.

**Table 35: Construction Stage**

S/N	Roads Agency	2013/14	2014/15	Average
1	TANROADS	66.6	62	64.3
2	LGAs	47.7	45.6	46.7
	Overall Average	<b>57.2</b>	<b>53.8</b>	<b>55.5</b>

Source: Roads Fund Board, 2015

**Table 35** indicates that TANROADS' performance in the construction stage had dropped by about 4.6% from 66.6% in FY 2013/14 to 62 percent in FY 2014/15. On average, TANROADS' performance was moderate at about 64.3% for the observed

years. Meanwhile, LGAs' performance at the construction stage had dropped by about 2.1% from 47.7% FY 2013/14 to 45.6% in FY 2014/15. On average, LGAs' performance at the construction stage was low at about 46.7% for the observed years.

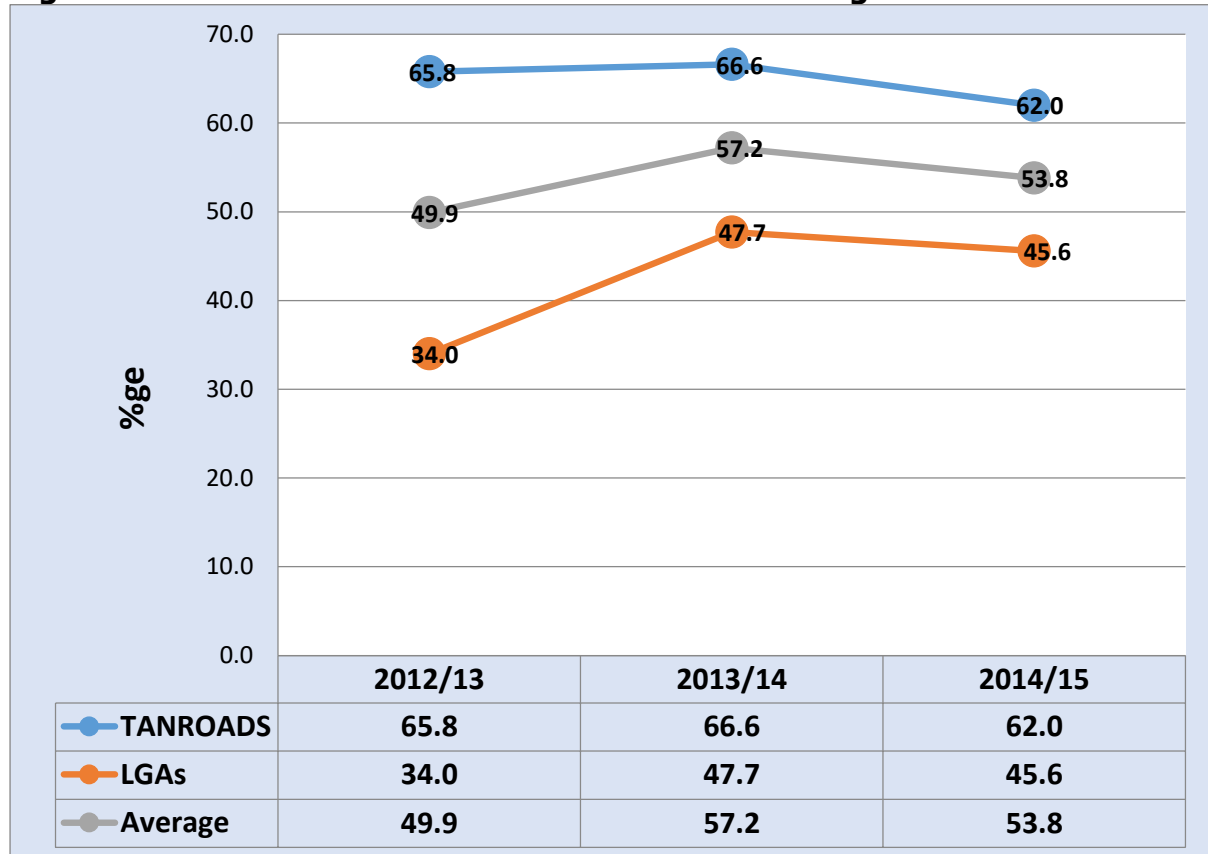
The overall combined performance of both TANROADS and LGAs at the construction stage has dropped by about 3.4% from 57.2% in FY 2013/14 to 53.8% in FY 2014/15. Consequently the combined overall average performance at this stage was satisfactory at about 55.5% for the observed years with TANROADS performance at relatively better position by about 16.4% above that of the LGAs.

The performance of the Roads Agencies have dropped in area of timeliness of site possession; quality project programs and adherence to quality assurance program as well as quality of site organization, staff and supervising staff. Also unsatisfactory performance was observed in areas including quality of quality assurance program and adherence to quality assurance program. Furthermore, the Environmental Management Plans (EMP) were not prepared and not implemented due to lack of knowledge by the IAs in this area. There was also low performance in areas such as project documentations; claims and costs overruns as well as project delays and extensions of time.

Performance improvement was observed in areas such as supervising engineer's staff where experienced professional engineers were employed to supervise site works and site meetings were conducted and the progress reports were timely prepared.

The trend of performance for the past three years is shown in **figure 19** below.

**Figure 19: Trend of Performance in Construction Stage**



Source: Roads Fund Board, 2016

### 5.3.4 Project Completion and Closure Stage

**Table 36** below shows the performance trend of road agencies in the stage of project completion and closure during management of roads maintenance projects in their mandated areas.

**Table 36: Construction Stage**

S/N	Road Agency	2013/14	2014/15	Average
1	TANROADS	44	21.8	32.9
2	LGAs	33.8	20.1	27
<b>Overall Average</b>		<b>38.9</b>	<b>21</b>	<b>29.9</b>

Source: Roads Fund Board, 2015

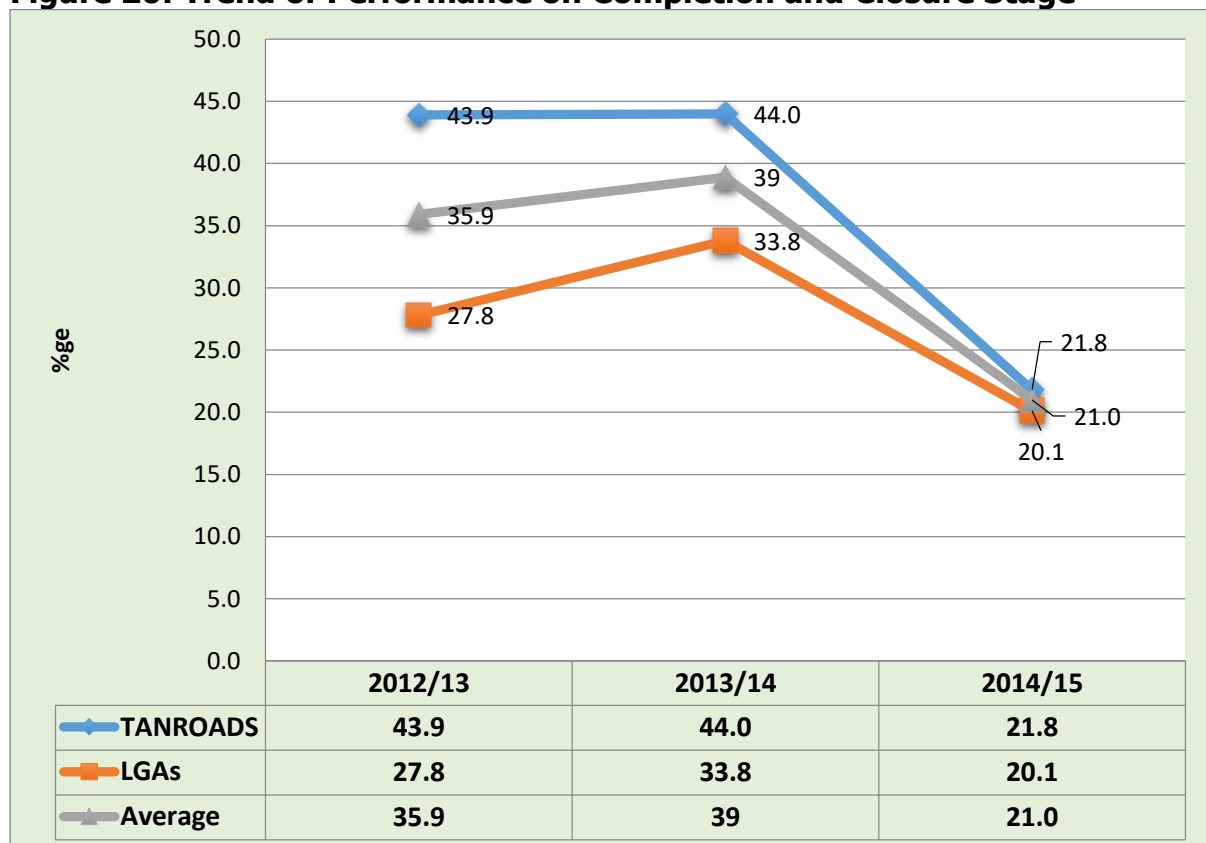
Table 36 reveals that TANROADS' performance dropped by about 22.2% in the aspect of project completion and closure whereby in FY 2013/14 the performance was 44% and in FY 2014/15 it was 21.8%. However, on average the performance at the stage of project completion and closure was low at about 32.9% for the sampled years. On the part of LGAs, the performance at the stage of project completion and closure has dropped by about 13.7% from 38.9% in FY 2013/14 to 21% in FY 2014/15. On

average, for LGAs, the performance at the stage of project completion and closure was low at about 29.9% for the observed years.

Performance of the implementing agencies was unsatisfactory for both observed years. There was general weakness in project management in the projects especially in the area of quality and completeness of as-built-drawings; preparation of quality and adequate final project reports; compilation and management of snag lists as well as management of defects liability period. Projects lost their quality and were not fully completed so as to comply with the preset criteria and standards at the stipulated time. Also there was inadequate supervision and management of contracts that led to late issuance of substantial and final completion certificates as well as settlement of final accounts. Moreover, there was additional costs and extension of completion time beyond the accepted tender price and contract project completion period.

The trend of performance for the past three years is shown in **figure 20** below.

**Figure 20: Trend of Performance on Completion and Closure Stage**



Source: Roads Fund Board, 2015

### 5.3.5 Executed Works

**Table 37** below shows the performance trend of road agencies at the stage of assessment of executed works during handling road maintenance projects in their areas of jurisdiction.

**Table 37: Executed Works**

S/N	Roads Agency	2013/14	2014/15	Average
1	TANROADS	60.1	46	53.1
2	LGAs	51.1	36.5	43.8
<b>Overall Average</b>		<b>55.6</b>	<b>41.3</b>	<b>48.4</b>

**Source:** Roads Fund Board, 2015

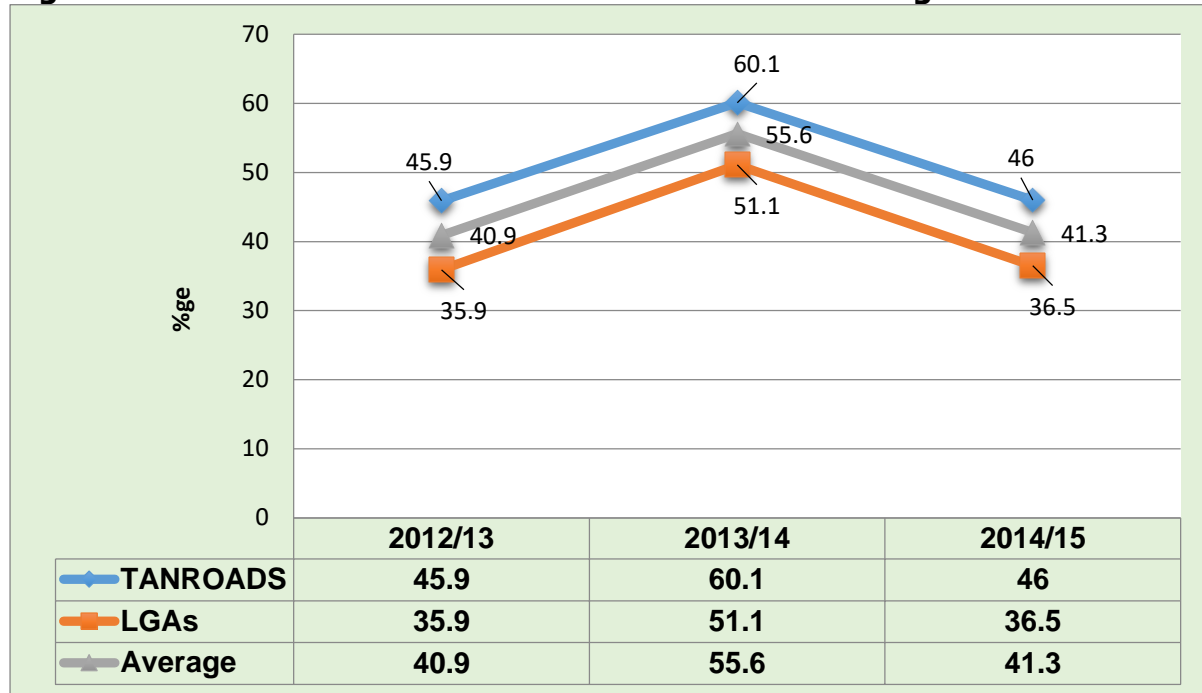
Table 37 shows that TANROADS' performance at the stage of assessment of executed works had dramatically dropped by about 14.1% from 60.1% in FY 2013/14 to 46% in FY 2014/15. On average, the performance at the stage of assessment of executed works was satisfactory at about 53.1% for the observed years. On the other side, LGAs' performance at the stage of assessment of executed works also dramatically dropped by about 14.6% from 51.1% in FY 2013/14 to 36.5% in FY 2014/15. Even though, on average, the performance at this stage was low at 43.8% for the observed years.

The overall average performance for both TANROADS and LGAs' performance at the executed works stage dramatically dropped by about 28.5% from 55.6% in FY 2013/14 to 41.3% in FY 2014/15. However, the executed works stage performance was generally very low, on average, at 48.4% for the observed financial years. Yet, TANROADS performance at the executed works stage was relatively better at 53.1% percent as compared to LGAs performance which was low at 43.8%.

TANROADS performance on the executed works stage dramatically dropped and the overall performance for TANROADS was satisfactory while it was low for the case of LGAs for both observed years. Both TANROADS and LGAs failed to manage most of their projects since there was low satisfaction of the completed works. It has been observed that the dimensions of culverts and bridges were not complied with technical drawings and specifications. Also there was non-compliance of quality materials used in pavement structures with technical specifications. In addition there was low quality of material used in concrete and masonry works. There was also non-compliance on site clean-up with restoration of disturbed and/or damaged areas and non-compliance of on-going construction activities with EMP requirements

**Figure 21** below indicate the trend of performance Executed Works for three years.

**Figure 21: Trend of Performance on Executed Works Stage**



Source: Roads Fund Board, 2015

#### 5.4 OVERALL PERFORMANCE

The performance of the Implementing Agencies during the reporting period shows that road projects implementing agency had dramatically dropped from 58.5% in FY 2013/14 to 50.5% in FY 2014/15 by about 8%. However, on average overall performance was satisfactory at about 54.5%. The performance still had not been better to the extent of achieving the desired outcomes. On one hand, better performance was observed in project planning, design and tender documentation stage and procurement stage. On the other hand under performance was observed in construction; project completion and closure; and executed works stage.

A summary of overall performance of TANROADS and PMORALG for FYs 2013/14 and 2014/15 is summarized in **Table 38** below:

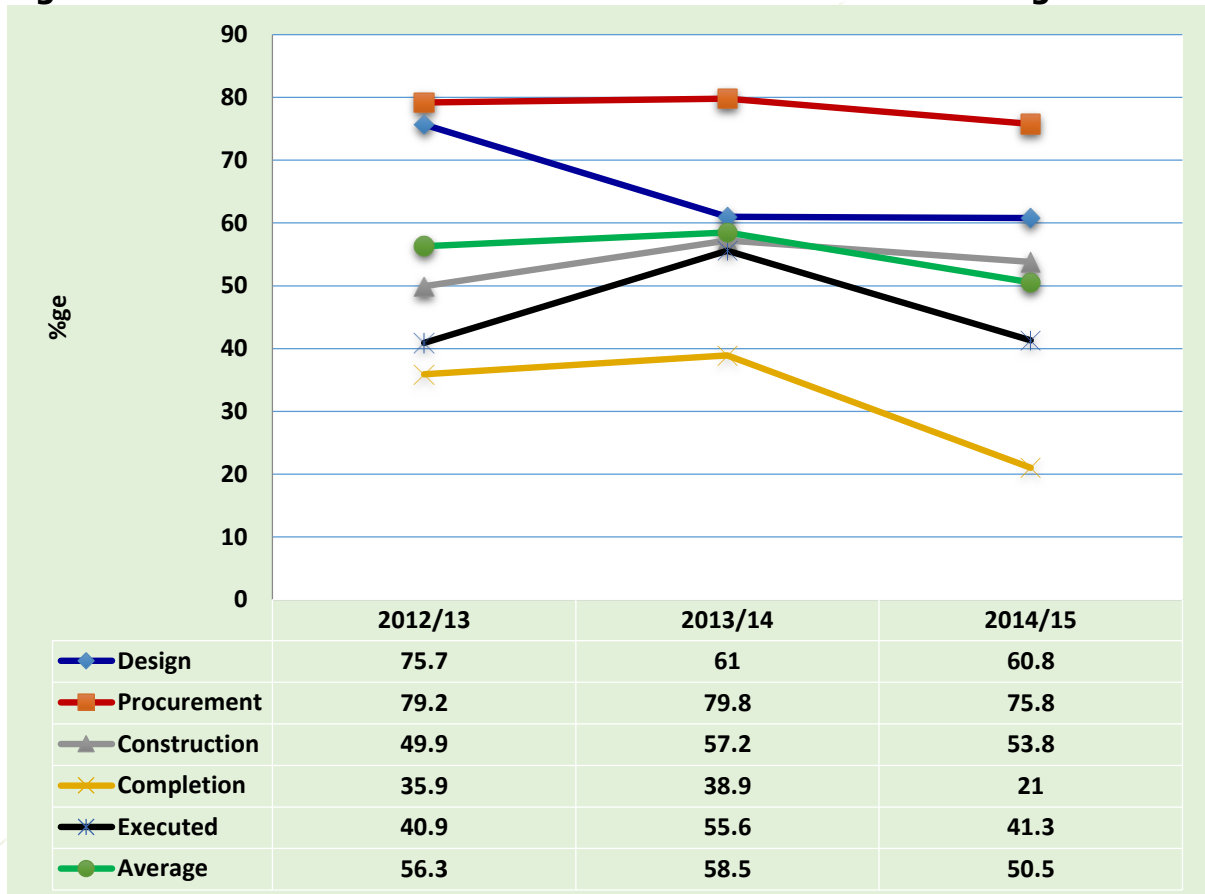
**Table 38: Overall Performance of Implementing Agencies**

S/N	Stages	2013/14	2014/15	Average
1	Project, Design and Tender Documentation	61	60.8	<b>61</b>
2	Procurement Stage	79.8	75.8	<b>78</b>
3	Construction Stage	57.2	53.8	<b>55.5</b>
4	Project Completion and Closure Stage	38.9	21	<b>29.9</b>
5	Executed Works	55.6	41.3	<b>48.4</b>
<b>A</b>	<b>Overall Performances</b>	<b>58.5</b>	<b>50.5</b>	<b>54.5</b>
<b>B</b>	<b>Rate of Growth in %</b>	<b>13.7</b>		

Source: Roads Fund Board, 2015

Figure 22 indicate the trend of performance for the different stages that were assessed during the last three years.

**Figure 22: Trend of Performance for the Different Evaluated Stages**



Source: Roads Fund Board, 2015