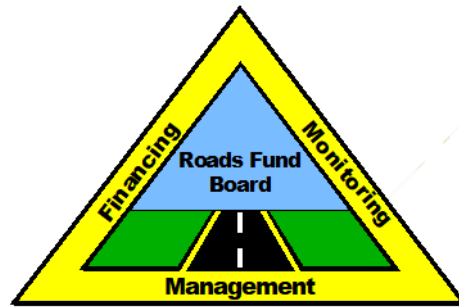


ROADS FUND BOARD



ANNUAL
REPORT
2015/16

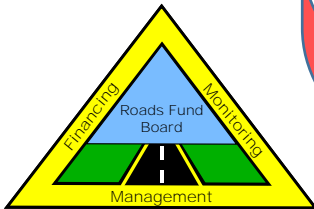


ROADS FUND BOARD

ANNUAL REPORT FOR FY 2015/16

VISION, MISSION AND CORE VALUES OF THE BOARD

OUR VISION



Excellence in road fund management for a well-maintained public road network.

To provide sustainable funding for road maintenance to implementing agencies through collection, disbursement and monitoring its utilisation for social economic wellbeing of the public.

OUR MISSION

Integrity
We observe and maintain high standards of ethical behavior and the rule of law.

Transparency
We are open, accountable and responsible to stakeholders.

Teamwork
We will work as a team to achieve our objectives.

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

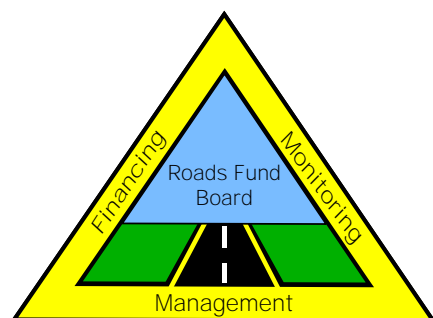
Innovation:
We believe in creative ideas, technologies and practices to enhance quality, effectiveness and efficiency in road maintenance financing.

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

OUR CORE VALUES

LETTER OF TRANSMITTAL

ROADS FUND BOARD



Hon. Eng. Isack Aloyce Kamwelwe (MP),
Minister for Works, Transport and Communication,
P.O. Box 2888,
DODOMA

On behalf of the Roads Fund Board, and in pursuance to Section 5 (6) and (7) of the Road and Fuel Tolls Act, Cap 220; with great honour, I have the pleasure to submit the Annual Report for the year ended 30th June 2016.

The report presents the overview performance and governance of the Fund, Board and Implementing Agencies. The Audited Financial and technical reports of the Board and Implementing Agencies for the respective Financial Year are also included in this report.

I submit,

A blue ink signature of Mr. Joseph O. Haule, written over a dotted line.

Mr. Joseph O. Haule
Chairman of the Board

CHAIRMAN'S STATEMENT



Mr. Joseph O Haule,
Chairman of the Board

Overview

On behalf of the Roads Fund Board (RFB), it is my pleasure to submit this Annual Report covering the Roads Fund operations for the financial year 2015/16. The Financial Year 2015/16, marks the fifteenth **year's anniversary of the Roads Fund Board. It also** marks the second year of implementation of the RFB Five Years Strategic Plan that covers the period between 2014/15 – 2018/19.

Economic situation

In year 2016, the real Gross Domestic Product (GDP) grew by 7.2% compared to 7% in year 2015. The growth was driven by rising private consumption, and strong growth in telecommunications, construction, port and service sectors. Growth in GDP is expected to sustain in the medium to long-term, underpinned by continued regional integration serving as a transit route for the three land locked EAC countries; Burundi, Rwanda and Uganda as well as other neighbouring countries such as DR Congo, Malawi and Zambia. The role of the Fund to provide sufficient funds for roads maintenance is critical in ensuring that roads are in good condition.

Strategic Plan and Performance Agreement implementation

During this Financial Year, the Board continued to monitor the implementation of its Annual Business Plan which addressed the Five Year Strategic Plan (2014/15 – 2018/19) objectives. The deliverables that were set out in the Business Plan were significantly achieved. However, deliverables which were enshrined in the Performance Agreements signed between the RFB and Implementing Agencies were partially achieved as result of shortfall in disbursement of funds which was less by 23% of the annual budget. Nevertheless, the road condition for both the trunk and regional, as well as district roads remained relatively stable. Roads in good and fair condition was 85.0% and 57.0% for

trunk/regional and district roads respectively slightly lower than 86.0% and 57.1 recorded in FY 2014/15.

While implementing the Strategic Plan, the major challenge faced by the Board was the widening of the financing gap to meet maintenance requirements, due to increased road network as well as backlog maintenance. In order to address the challenge, the Board continued to explore strategies to close the financing gap by undertaking studies to identify possible new sources of revenue for the Fund, based on best practice. It also undertook a study to identify areas prone to revenue leakages and propose ways to fix them.

In order to increase the revenue base, the Board continued to prepare instruments for collection and operationalize collection of revenue from Vehicle Inspection and Road Reserve Fees. The Board continued to engage with development partners; including DFID, USAID and European Commission and requested them to scale up their support to finance backlog maintenance road works, to reduce pressure on the Roads Fund. These efforts are expected to reduce the financing gap.

Risk management and internal controls

Risk management is critical for any organisation in achieving its **objectives**. **The Board's risk management framework was established in accordance with ISO 31000:2009. Risk assessment is embedded in the normal operations of the Board's activities.**

On quarterly basis, the Board assesses all risks which are likely to jeopardise achievement of its objectives and adopt mitigation measures. It also assessed internal control systems throughout the financial year ended 30 June 2016. In order to strengthen risk management and internal controls, the Board has established a specific committee to oversee these issues.

Corporate Governance

The Board is committed to the principles of good corporate governance and recognises the need to conduct business in accordance with generally accepted best practice. The Board exercises its oversight role on the affairs related to management of the Fund. It also promotes and exercises transparency, accountability **and fairness in an organisation's** relationship with its all stakeholders. With regards to financial management, the Board, in the last five years has obtained unqualified audit report.

Acknowledgment

On behalf of Board Members, I would like to express my sincere appreciation to the Government of the United Republic of Tanzania, Ministry of Works, Transport and Communication (MoWTC); and Ministry of Finance and Planning (MoFP); **President's** Office, Regional Administration and Local Government (PORALG) for their strategic and policy guidance.

I would also like to extend my sincere appreciation to Tanzania Revenue Authority (TRA), for their cooperation and good performance in revenue collection especially fuel levy and transit charges. The Board also extends gratitude to Tanzania Port Authority (TPA),

Energy and Water Utilities Regulatory Authority (EWURA), and Petroleum Import Coordinator (PIC) for cooperation extended to the Board by sharing information on fuel imports and consumption to allow the Board make an informed decision with regard to resource envelope for road maintenance. It was through their support that the Board was able to collect its revenues.

I highly appreciate the financial assistance extended by development partners; namely, USAID, DFID, EC and JICA who have offered funds to finance roads maintenance under Local Government Authorities as well as national roads.

I wish to thank my fellow Board Members and the Secretariat, for their hard work, **commitment and professionalism, in implementing the Board's Strategic Plan that has led** to the achievement of our objectives.

Last but not the least, I implore for continued support and commitment from our stakeholders over the coming years, to meet our vision enshrined in the Strategic Plan.



Mr. Joseph O. Haule
CHAIRMAN

THE MANAGER'S STATEMENT



Mr. Eliud T. Nyauhenga
Roads Fund Manager

Overview

The Roads Fund Board through its Secretariat continued to carry out its mandate as enshrined in the Roads and Fuel Tolls Act, CAP 220. We continued to ensure full collection of revenue from all Road Tolls and disbursed funds to TANROADS and Local Government Authorities (LGAs), effectively and efficiently based on the allocation formula. We also continued to monitor the utilisation of funds to ensure value for money is achieved.

Led by our long-term vision as stipulated in the Strategic Plan, we continued to implement our Annual Business Plan. During the period under review, we made significant progress in automation of our operations. We established an Electronic Abnormal Load Permits System managed by MoWTC, whereby the application of permit and payment of fees are done electronically. We also initiated a process to develop and establish an Electronic Payment System at all weighbridge stations to be managed by TANROADS.

Financial performance

During the year under review, a total of TZS 722.66 billion was collected compared to the expected annual budget of TZS 727.97 billion. The actual collection was less by 1% compared to the expected annual budget. The actual collection in FY 2015/16 increased by 12% compared with FY 2014/15 which was TZS 642.42 billion.

Disbursement of Funds

Up to 30th June 2016, a total of TZS 562.72 billion was disbursed to Implementing Agencies compared to TZS 541.90 in FY 2014/15 which exceeded by 4%. The amount disbursed in FY 2015/16 was less by TZS 159.94 or 12% compared to annual collection. The outstanding balances were disbursed in a subsequent financial year.

Disbursement of the funds to Implementing Agencies was carried efficiently whereby, the Board ensured that the available funds were disbursed not later than five days from the day they were deposited to the Fund's account. In order to update the agencies and

public at large on the availability of funds, the released amount was immediately published in the Boards website.

Monitoring Road Tolls collection

We continued the monitoring of revenue collection and ensuring that all potential revenues are collected and remitted to the Fund account. We also collaborated with various stakeholders to curb possible revenues leakages.

Monitoring utilisation of funds

In order to ensure value for money is obtained, throughout the implementation period, we continuously monitored the utilisation of Funds by implementing agencies, through RFB staff and technical auditors engaged from reputable Consulting companies. Quarterly monitoring were performed by RFB Staff. Preventive technical audit on maintenance road works, implemented by implementing agencies, were carried out using technical auditors. The overall average performance of TANROADS, slightly declined from 73.4 in year 2014/15 to 68.6 in year 2015/16. The LGAs overall average performance dropped from 57.7 percent in year 2014/15 to 54.9 percent in year 2015/16. In general, the performance of Implementing Agencies has dropped when compared to the previous year. The reasons for dropping performance was the elastic disbursement of funds, which were allocated in FY 2014/15, whereby, most of funds allocated in FY 2015/16 were used to settle outstanding debts caused by the works executed in FY 2014/15.

Future Plans

The Roads Fund Board in collaboration with stakeholders, is currently 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. The Board also is expected to undertake road inventory and condition survey, for the entire country. The outcome of this undertaking will facilitate the revision of allocation formula between national roads (trunk and Regional roads) and District roads which currently stand at 70% to 30% respectively. These undertakings are critical in terms of providing quality services to the road users.

Appreciation

On behalf of the Management and Staff, I would like to thank Board Members for their guidance and humility, without which our objectives could not have been achieved. We would like to express our sincere appreciation to the Government of United Republic of Tanzania, Ministry of Works, Transport and Communication; and Ministry of Finance and Planning for their guidance and support. We wish to express our gratitude to Implementing Agencies, TRA, EWURA, PIC, TPA and roads users at large, for their cooperation and support.

Finally, we would like to appeal to the general public to extend their support to the Board and its Management, to enable them to provide quality services.



Eliud T. Nyauhenga

ROADS FUND MANAGER

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ACRONYMS AND ABBREVIATIONS

ADB	African Development Bank
ARMFA	African Road Maintenance Funds Association
ARMC	Audit and Risk Management Committee
ATTI	Appropriate Technology Training Institute
BILL	Billion
BOQ	Bills of Quantities
CC	City Council
CCTV	Closed Circuit Television
CE	Council Engineer
CML	Central Material Laboratory
CRB	Contractors Registration Board
DC	District Council
DED	District Executive Director
DFID	Department for International Development
DR	Director of Roads
DROMAS	District Roads Management System
EAC	East African Community
EDF	European Development Fund
EU	European Union
EWURA	Energy and Water Utilities Regulatory Authority
FA	Force Account
FY	Financial Year
GOT	Government of Tanzania
HQ	Head Quarters
HREDC	Human Resource, Employment and Discipline Committee
IAS	Implementing Agencies
JICA	Japan International Cooperation Agency
KOJ	Kurasini Oil Jet
LAN	Local Area Network
LBT	Labour Based Technology
LGA	Local Government Authority
MAB	Ministerial Advisory Board
MC	Municipal Council
MILL	Million
MTI	Morogoro Training Institute
NAO	National Audit Office
NBS	National Bureau of Statistics
NCC	National Construction Council
NRTP	National Rural Roads Transport Programme
PIARC	World Road Association
PIC	Petroleum Import Coordinator
PMMR	Performance-based Management and Maintenance of Roads
PORALG	President's Office Regional Administration and Local Government

PS	Permanent Secretary
RFB	Roads Fund Board
RICS	Road Inventory and Condition Survey
RMI	Road Maintenance Initiative
RMMS	Road Maintenance Management System
RMO	Regional Manager's Office
RRTP	Rural Roads Transport Programme
RS	Regional Secretariat
RUC	Road User Charge
SADC	Southern African Development Community
SUMATRA	Surface Marine Transport Regulatory Authority
TACECA	Tanzania Civil Engineering Contractors Association
TANROADS	Tanzania National Roads Agency
TANT2	Tanzania Technology Transfer
TATO	Tanzania Association of Tour Operators
TATOA	Tanzania Truck Owners Association
TC	Town Council
TCCIA	Tanzania Chamber of Commerce, Industry and Agriculture
TFAC	Technical, Finance and Administration Committee
TFC	Tanzania Confederation of Co-operatives
TPA	Tanzania Ports Authority
TRA	Tanzania Revenue Authority
TZS	Tanzania Shillings
USD	United States of American Dollar
WIM	Weigh In Motion
WPU	Women Participation Unit

PART ONE: REPORT OF THE DIRECTORS

1.1 INTRODUCTION

The Roads Fund Board presents this report and the financial statements for the year ended 30th June, 2016 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 MoWTC. The Board's mandate is to manage the Roads Fund by** ensuring that there is full collection of revenue, timely disbursement of funds and monitoring utilisation of the same to implementing agencies which are MoWTC, PORALG, and TANROADS.

1.3 VISION AND MISSION

Vision Statement: Excellence in road fund management for a well-maintained public road network.

Mission statement: To provide sustainable funding for road maintenance to implementing agencies through collection, disbursement and monitoring its utilization for social economic wellbeing of the public.

1.4 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.

1.5 PERFORMANCE AGREEMENTS

The Roads Fund Board is required to enter into Performance Agreements with the road implementing agencies to which money from the Fund is disbursed. The Performance sets out performance indicators to be achieved and policy undertakings to be implemented by Implementing Agencies. This is the basis for financing and monitoring of programmes of works. During the year under review, MOWTC, TANROADS, PORALG signed an Agreement amounting to TZS 142.29 million, TZS 454,675.71 million and TZS 302,545.50 million respectively.

1.6 COMPOSITION 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 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. The Chairperson and Members may, unless he/she resigns or his/her membership is otherwise terminated, hold office for a maximum of two consecutive terms of three years each.

Members from the public sector constitutes:

- (i) Permanent Secretary, Ministry of Works, Transport and Communication;
- (ii) Permanent Secretary, Ministry of Finance and Planning;
- (iii) **Permanent Secretary, President's Office Regional Administration and Local Government;** and
- (iv) Director of Roads, Ministry of Works, Transport and Communication.

Members from the private sector constitutes:

- (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).

Secretary to the Board

The Roads Fund Manager (RFM) who is the Secretary to the Board is appointed by the Board. **The tenure of the Manager is five years' renewable** upon satisfactory performance.

The list of RFB Members and the Secretary who served the Board during the year of this Report is shown in Table 1.1 below.

Table 1.1: RFB Members and the Secretary Served up to 30th June 2016

Sn	Name	Position	Qualification	Institution	Appointment date
1	Dr. James Wanyancha	Chairman	PhD	Private Sector	03.06.2014
2	Eng Joseph Nyamhanga	Member	MSc	PS-MoWTC	26/01/2016
3	Dr. Servacius Likwelile	Member	PhD	PS-MoFP	10.10.2014
4	Eng. Musa I. Iyombe	Member	MSc	PS-PORALG	26/01/2016
5	Eng. Ven K. Ndyamukama	Member	MSc	DR-MoWTC	10.10.2013
6	Mr. Fulgence Bube	Member	Advance Diploma	TATOA	23.04.2015
7	Ms. Agnes Namuhisa	Member	MA	TFC	23.03.2015
8	Mr. Leopold B. Kabendera	Member	Diploma	TATO	15.01.2016
9	Eng. Peter Chisawillo	Member	MSc	TCCIA	13.01.2015
10	Mr. Joseph O. Haule	Secretary	MA	RFB	01.02.2000

BOARD MEMBERS



Dr. James M. Wanyancha
Chairman



Eng. Joseph M. Nyamhanga
The Permanent Secretary,
MoWTC



Eng. Musa I. Iyombe
The Permanent Secretary,
PORALG



Dr. Servicius Likwelle
The Permanent Secretary,
Ministry of Finance



Leopold B. Kabendera
Representing Association of Tour
Operators



Eng. Ven K. Ndyamukama
Director of Roads - MoWTC



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 CORPORATE GOVERNANCE

1.7.1 Commitment to good governance

The Board of Directors provides overall guidance and direction of the Board. The Directors are committed to the principles of good corporate governance and recognise the need to conduct the business in accordance with general accepted best practice. In so doing, the directors therefore, confirm that they:

- (i) Commit themselves to zero tolerance to corruption;
- (ii) Attend meeting regularly throughout the year;
- (iii) Accept and exercises responsibility of strategic and policy decisions, approval of the budgets and monitoring of performance;
- (iv) Commit themselves to bringing skills and experience from their spheres of business to complement the professional experience and skills of the management team;
- (v) Committed to transparency, accountability **and fairness in an organisation's** relationship with its all stakeholders (Government, Implementing agencies, Management, employees, and the general public); and
- (vi) Carry out its oversight role on the affairs related to management of the Fund.

1.7.2 Board and Committees meetings

The Roads and Fuel Tolls Act requires the Board of Directors to meet at least 4 times a year. In FY 2015/16, the Board conducted four ordinary Board and three special meetings to discuss the following:

- (i) Formulate policies and strategies of the Roads Fund Board;
- (ii) Formulate Guidelines on utilization of Roads Fund;
- (iii) Reviewed the RFB Business Plan and its implementation;
- (iv) Reviewed budgets and Quarterly Implementation Progress Reports on road works from implementing Agencies;
- (v) Reviewed Technical and financial audit Reports, internal Audit and Risk management Reports;
- (vi) Reviewed and provided guidance on the Proposal to increase revenue base for the Fund before submitting it to the Ministry of Finance and Planning;
- (vii) Reviewed the Draft Amendment and Regulations of the Roads and Fuel Tolls Act, CAP 220; and
- (viii) Reports on monitoring of emergency works.

The Board meetings were superseded by the Committees meetings which considered the reports and recommended to the Board to make appropriate decisions. The Board had three committees which are:

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

Table 1.2: Board Members Attendance to the Meetings in FY 2015/16

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

Picture 1.1: Board Members with Management Team



Some of the Board Members with Management Team during Board Meeting

1.7.3 Terms of Reference for Technical, Financial and Administration Committee

The objective of the committee is to review critically all aspects related to Technical, Finance and Administration and recommend to the Board for decisions. The specific tasks of this Committee includes to:

- (i) Review operational plans of implementing agencies and RFB;

- (ii) Review roads maintenance Progress Reports from Implementing Agencies;
- (iii) Review the Strategic Plan of the Roads Fund Board and its implementation report;
- (iv) Review the technical and preventive audit reports;
- (v) Review and consider emergency requests from Implementing Agencies;
- (vi) Review progress reports on Roads Fund Collections and disbursement;
- (vii) Review reports with respect to improving revenue collection including study reports;
- (viii) Review Roads Fund Board financial and staff regulations;
- (ix) Review annual and quarterly financial budgets of RFB, TANROADS, PORALG and MoWTC;
- (x) Consider any other matters, as may be delegated from time to time by the Board; and
- (xi) Report and recommend to the Board all issues from item (i) to (xi) for necessary action and decision.

Table 1.3: TFAC Members who served in FY 2015/16

Sn	Name	Position	Qualification
1	Eng. Peter Chisawillo	Chairman	MSc
2	Mr. Leopold B. Kabendera	Member	Diploma
3	Dr. Servacius Likwelile	Member	PhD
4	Eng. Musa I. Iyombe	Member	MSc
5	Eng. Ven K. Ndyamukama	Member	MSc
6	Eng. Rashid Kalimbaga	Secretary	MSc

1.7.4 Terms of Reference for the Audit and Risk Management Committee

The objective of the committee is to review critically all matters related to risk management and audit. The specific tasks include to:

- (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) Consider any other matters, as may be delegated from time to time by the Board; and
- (iv) Report and recommend to the Board all issues from item (i) to (iii) for decisions.

Table 1.4: ARMC Members who served in FY 2015/16

Sn	Name	Position	Qualification
1	Mr. Fulgence Bube	Chairman	Advanced Diploma
2	Eng. Musa I. Iyombe	Member	MSc
3	Ms. Agnes Namuhisa	Member	MA
4	Eng. Joseph Nyamhanga	Member	MSc
5	Mr. Ayub James	Secretary	CPA (T)

1.7.5 Terms of Reference for the Human Resource, Employment and Discipline Committee

The objective of the committee is to review critically all aspects related to human resources, employment and discipline issues. The specific tasks include to:

- (i) Review staff regulations, training policy, capacity building programmes and circulars;
- (ii) Carry out interviews for new recruits and confirmation;
- (iii) Deliberate on staff welfare and benefits;
- (iv) Deliberate on disciplinary action; and
- (v) Report and recommend to the Board all issues from item (i) to (iv) for necessary action and decision.

Table 1.5: HREDC Members who served in FY 2015/16

Sn	Name	Position	Qualification
1	Mr. Leopold B. Kabendera	Chairman	Diploma
2	Eng. Peter Chisawillo	Member	MSc
3	Ms. Agnes Namuhisa	Member	MA
4	Eng. Ven K. Ndyamukama	Member	MSc
5	Mr. Joseph O. Haule	Secretary	M.A

1.8 ROADS FUND BOARD MANAGEMENT TEAM

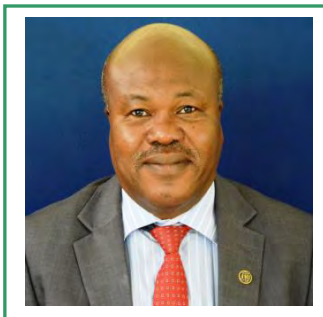
The Management of the Roads Fund Board under the leadership of the Roads Fund Manager (RFM) is organised in three departments and three units as follows:

- (i) Finance and Administration Department, headed by Deputy Manager –Finance and Administration (DMFA);
- (ii) Technical Service Department, headed by Deputy Manager – Technical Services (DMTS);
- (iii) Resources Mobilisation Department, headed by Deputy Manager –Resource Mobilization (DMRM);
- (iv) Internal Audit Unit headed by Head of Internal Audit;
- (v) Procurement Management Unit, headed by Head of Procurement;
- (vi) Information Communication Technology Unit headed by Head of IT.

Table 1.6: RFB Management Team in FY 2015/16

S/N	Name	Designation
1	Mr. Joseph O. Haule	Roads Fund Manager
2	Ms. Anna Massaro	Ag. Deputy Manager - Finance and Administration
3	Eng. Rashid Kalimbaga	Deputy Manager – Technical Services
4	Mr. Eliud Nyauhenga	Deputy Manager – Resource Mobilisation
5	Mr. Ayub James	Chief Internal Auditor
6	Mr. Abdallah Mtey	Head of Procurement Management Unit
7	Mr. Emmanuel Mwakajinga	Head of ICT Unit

RFB MANAGEMENT TEAM



Mr. Joseph O. Haule
Roads Fund Manager



Ms. Anna Masaro
Ag. Deputy Manager
Finance & Administration



Eng Rashid Kalimbaga
Deputy Manager Technical
Services



Mr. Eliud Nyauhenga
Deputy Manager Resource
Mobilisation



Mr. Ayub James
Chief Internal Auditor



Mr. Abdallah Mtey
Head of Procurement
Management Unit



Mr. Emmanuel Mwakajinga
Head of ICT Unit

1.9 PERFORMANCE OF THE ROADS FUND

Provision of sufficient funds for road maintenance is critical for sustainable roads, safer road network around the country, and protection of road asset against deterioration. The performance of the Fund is therefore assessed based on the extent to which it achieves its objective in terms of providing sufficient funds for financing road maintenance. The performance is measured through indicators as listed in Table 1.7. The Indicators were developed under the Road Maintenance Initiative (RMI).

Table 1.7: Indicators for Roads Fund Performance

NO	Indicators	Remarks
i	Percentage of Revenue collection to annual budget	Measures capacity of revenue sources to meet annual road maintenance work plan
ii	Percentage of Disbursement to annual budget	Assesses Government commitment to ensure approved annual maintenance budgets is implemented
iii	Percentage Share of Fuel Levy to Roads Fund	Measures the degree of dependence on fuel levy as source of revenue for road maintenance
iv	Percentage share of Roads Fund to Road User Charges	Measures of the Government commitment to reforms revenue sources for road maintenance. It also shows existence of untapped roads user's charges that can be revenue sources for the Fund.
vi	Percentage Coverage of Routine Maintenance needs	Measures the degree of road asset protection
vii	Percentage Coverage of Periodic Maintenance needs	Measures the degree of road asset value preservation
viii	Percentage coverage of total maintenance needs	Measures the degree of overall road asset preservation

(i) Percentage of Revenue collection to annual budget

In FY 2015/16, a total annual estimate budget was TZS 727.97 billion compared to actual collection of TZS 722.66 billion, recording a deficit of TZS 5.31 billion equivalents to 1% as shown Table 1.8 below.

Table 1.8: Revenue Collected vs Annual Budget (TZS BILL)

Source/FY	2011/12	2012/13	2013/14	2014/15	2015/16
Fuel levy	391.00	434.47	626.02	623.18	705.09
Transit Charges	5.77	5.41	6.52	7.9	9.49
Overloading fees	10.00	7.94	8.69	11.34	8.05
Annual revenue Collection (a)	406.77	447.82	641.23	642.42	722.66
Annual Budget (b)	316.55	429.66	504.30	541.9	727.97
<i>Surplus/deficit (a-b)</i>	<i>90.22</i>	<i>18.16</i>	<i>136.93</i>	<i>100.52</i>	<i>-5.31</i>
<i>% of Annual Budget</i>	<i>29.0%</i>	<i>4.0%</i>	<i>27.0%</i>	<i>18.6%</i>	<i>(1.0%)</i>

Source: Roads Fund Board

(ii) Percentage of Disbursement to annual budget

During the period under review, the approved maintenance budget was disbursed as shown in Table 1.9 below. The percentage of disbursement over annual budget has been 77.3% reflecting the Government commitment to ring-fencing resources earmarked for road maintenance.

Table 1.9: Annual Disbursed Funds vs Approved Budgets (TZS BILL)

Activity/F/Y	2011/12	2012/13	2013/14	2014/15	2015/16
Annual Budget (a)	316.55	429.66	503.30	541.90	727.97
Annual collection(b)	406.77	447.82	641.20	642.42	722.66
Disbursement(c)	335.99	429.66	503.30	541.90	562.72
% (c/a)	106%	100%	100%	100%	77.3%

Source: Roads Fund Board

(iii) Percentage Share of Fuel Levy to Roads Fund

During FY 2015/16, fuel levy contribution to the Fund was 97.6% as shown in Table 1.10. It implies that there is over-reliance on fuel levy as a source of road maintenance financing which is too risky. There is a need to diversify sources of revenue for sustainable roads.

Table 1.10: Revenue from Fuel Levy vs Roads Fund (TZS BILL)

SOURCE/FY	2011/12	2012/13	2013/14	2014/15	2015/16
Fuel levy	391.00	434.47	626.00	623.18	705.09
Transit charges	5.77	5.41	6.52	7.9	9.49
Overloading Fees	10.00	7.94	8.62	11.34	8.08
Total Roads Fund (RF)	406.77	447.82	641.14	642.42	722.66
% share of Fuel levy to RF	96.1	97.0	97.6	97.0	97.6

Source: Roads Fund Board

(iv) Percentage share of Roads Fund to Road User Charges

Road User Charges (RUC) refer to levies payable by virtue of using roads; while Roads Fund refers to revenue sources that are committed to the functions of the Roads Fund. The indicator measures the Government readiness to commit taxes/levies paid by road users for roads maintenance which include Motor Vehicle Registration Fees and Annual Motor Vehicle License Fees. In the last five years, RUC has been higher than RF, because revenue from Motor Vehicle Registration Fees and Annual Motor Vehicle License Fees does not form part of Roads Fund revenue sources although it is paid by road users. The two sources contribute revenues to the Consolidated Fund to meet other government obligations.

During FY 2015/16, only 77.1% of taxes, levies and fees paid by road user were used for road maintenance as shown in Table 1.11. Since the share of RF to RUC is below 100 percent, it indicates that the Government could expand revenue base for the RF from RUC sources.

Table 1.11: Roads Fund Revenue vs Road User Charges (TZS BILL)

SOURCE/FY	2011/12	2012/13	2013/14	2014/15	2015/16
Fuel levy	391.00	434.47	626.00	623.18	705.09
Transit charges	5.77	5.41	6.52	7.9	9.49
Overloading Fees	10.00	7.94	8.62	11.34	8.08
Total Roads Fund (RF)	406.77	447.82	641.14	642.42	722.66
Motor vehicle Registration Fees	81.75	123.23	139.31	116.39	135.16
Annual Motor vehicle License Fees	27.65	80.30	93.30	68.03	79.00
Total Road Users' Charges (RUC)	516.17	651.34	873.75	826.84	936.82
% share of RF to RUC	78.8	68.8	73.4	77.7	77.1

Source: Roads Funds Board & TRA

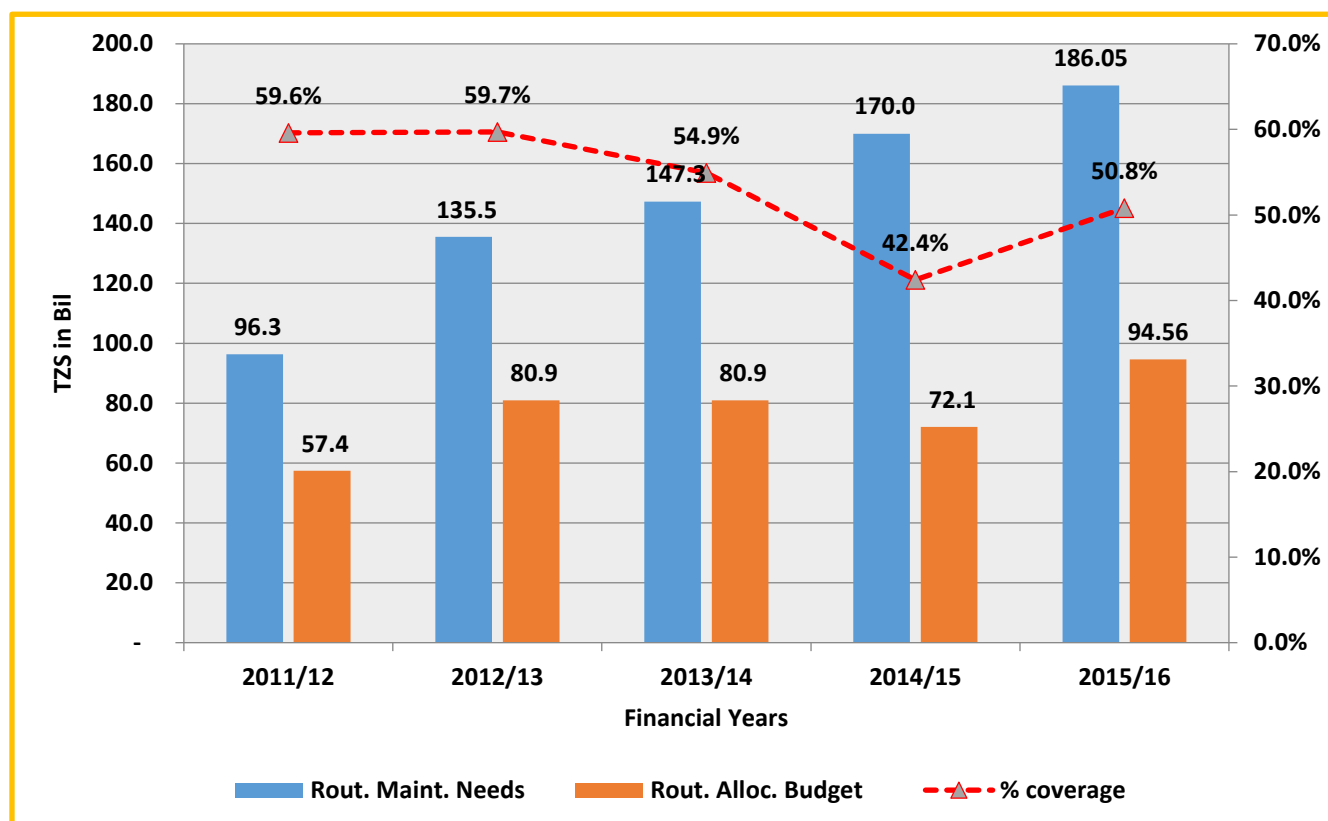
(v) Percentage Coverage of Routine Maintenance needs

The indicator assesses the level of asset preservation through routine maintenance. Routine maintenance is a critical intervention in road asset preservation as it is done continuously throughout the year. Activities done under routine maintenance 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, line remarking, unpaved road grading, shaping, and pothole repairs.

In the last five years, routine maintenance needs and allocated budget has been increasing in absolute terms. Nevertheless, the overall coverage of routine maintenance has been declining steadily which is not healthy for sustainability of roads. Although revenue collected in absolute terms has increased on one hand, the size of the roads network to be maintained and cost per unit on the other hand, has also increased at a higher rate leading to insignificant impact for increased revenue.

Overtime, percentage coverage for routine maintenance had been declining. During FY 2015/16 the allocated budget only covered 53.3% of routine maintenance financial requirements as shown in Figure 1.1

Figure 1.1: Comparison between Routine Maintenance Needs against Budget and its % Coverage (TZS BILL)



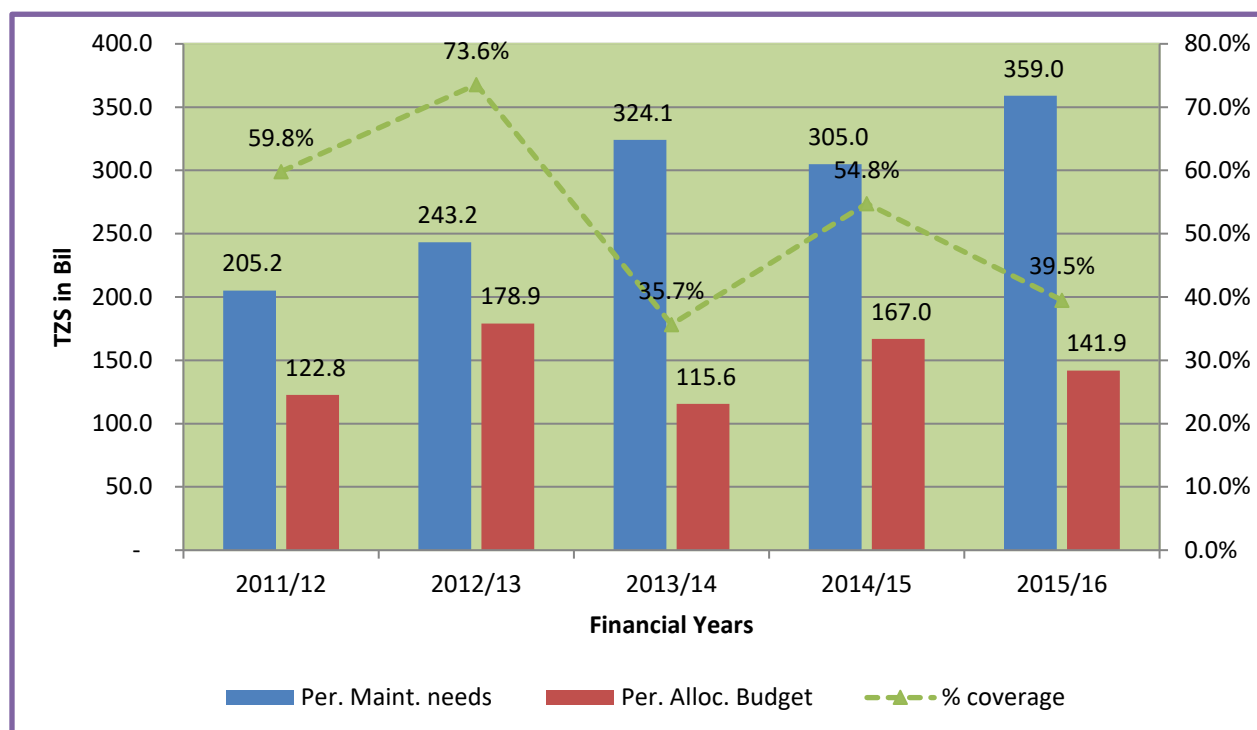
Source: Roads Funds Board

(vi) Percentage Coverage of Periodic Maintenance needs

Periodic Maintenance is a critical intervention in road asset preservation and it is highly required as the road pavement ages. This is so because roads become more fragile and less resilient at old age. Activities done under periodic maintenance, on paved roads include resealing, overlays of less than 100 mm, fog sprays and shoulder re-forming. Depending on design of pavement, this is carried out at intervals of 5 to 8 years so as to prolong the life span of the road. Figure 1.2 below shows comparison between periodic maintenance needs and allocated budget for it and the respective percentage coverage.

The percentage coverage of periodic maintenance has generally been increasing overtime whereby in FY 2015/16 the coverage was 78.7%. Inadequate funding for periodic maintenance is a daunting challenge to the road condition which has a direct effect to the socio-economic development. There is an urgent need to broaden the revenue base for the Roads Fund by identifying new revenue sources.

Figure 1.2: Comparison between Periodic Maintenance Needs against Budget and its % Coverage (TZS BILL)

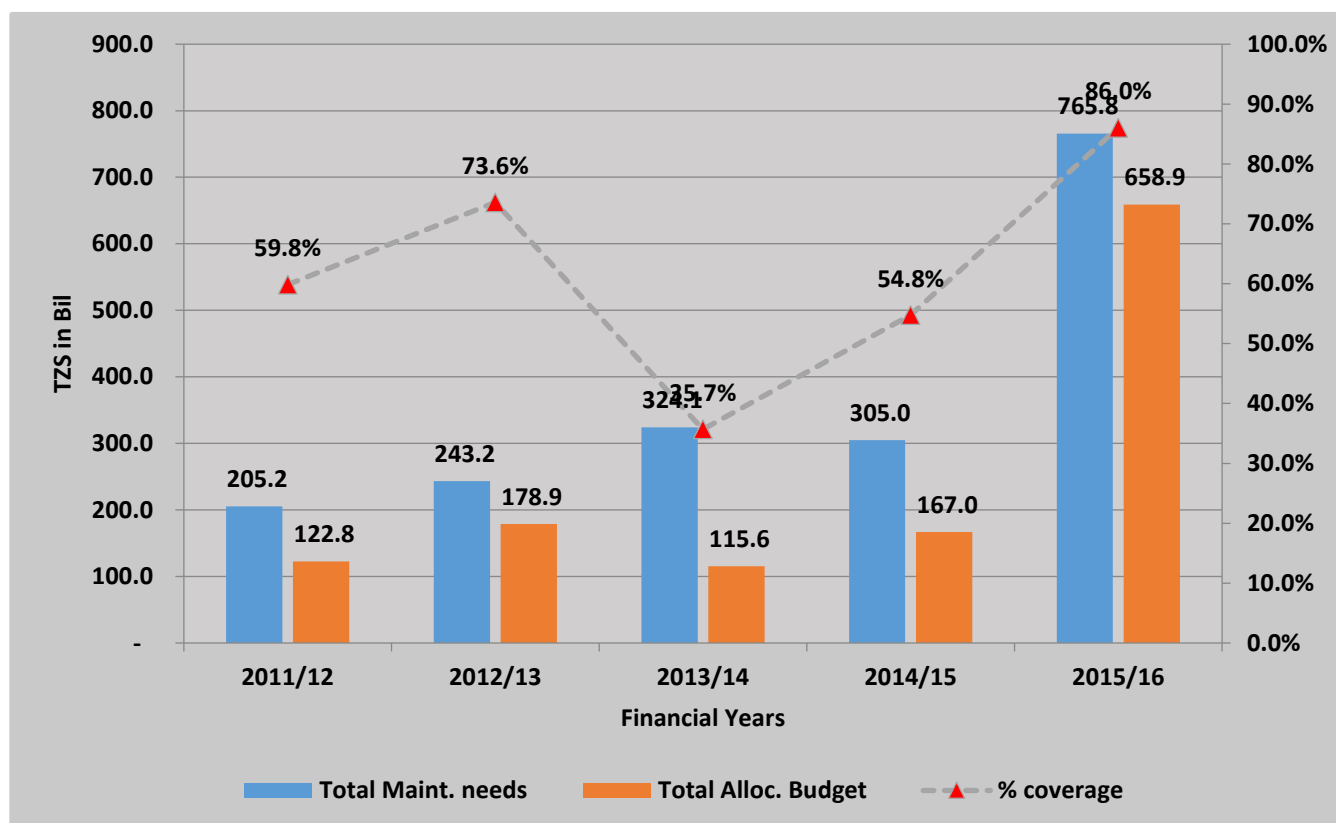


Source: Roads Fund Board, TANROADS and PORALG

(vii) Percentage 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, routine and periodic maintenance. Figure 1.3 below compares total maintenance needs against allocated budget and its share of coverage over five years. During the year under review, the coverage was only 53.4%.

Figure 1.3: Comparison between Total Maintenance Needs against Budget and its % Coverage (TZS Bill)



Source: Roads Fund Board, TANROADS and PORALG

In the last five years, the total maintenance needs and respective budget has been increasing in absolute term, but with the budget that do not cover fully the financial requirements. Inadequate funding for overall maintenance is a serious problem as roads that do not get maintenance attention in time, deteriorate to the extent that will require more expensive interventions.

1.10 PREVENTIVE TECHNICAL AUDIT

During the year under review, the Board engaged independent consultants to undertake preventive technical audit for the ongoing roads maintenance works implemented by MoWTC, PORALG and TANROADS in 18 regions. The objective of the audit was to ensure value for money for utilisation of the roads fund is obtained. The findings of technical audit are in PART FIVE of this Report.

Picture 1.2: Road Work Test



Technical Auditor Performing a Road work test during Preventive Technical Audit

1.11 MONITORING OF UTILISATION OF ROAD FUNDS

During the year under review, Roads Fund Board Staff carried out monitoring of road works. The objective was to assess quality of road works and overall implementation of road maintenance programme according to the Performance Agreement signed between the Roads Fund Board and Implementing Agencies. The monitoring exercise provided useful information in terms of adherence to provisions of the Performance Agreement signed between the RFB and Implementing Agencies.

Five monitoring visits were conducted in the FY 2015/16. These included normal monitoring visit in Kinondoni MC, Mbeya CC and TANROADS Mbeya Regional office. Also it took into account assessing of pothole patching works in the Dar es Salaam region, Country wide verification of emergency works, Follow up of recommendations by technical auditors in Njombe and Makambako.

Picture 1.3: RFB Staff Monitoring Mission



RFB Staff Monitoring Mission during Monitoring Visit on a Particular Road Section

1.12 LOCAL AND INTERNATIONAL RELATIONS

The RFB continued to maintain good relation with its stakeholders. The Board remained an active member of African Road Maintenance Fund Association (ARMFA), International Road Federation (IRF) and World Road Association (PIARC).

1.13 SOLVENCY

The Roads Fund Board confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board has reasonable expectations that the Roads Fund has adequate resources (human and capital) to continue in operational existence for the foreseeable future.

1.14 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 **stakeholder`s expectations. This objective remained intact during the financial year, 2015/16.**

1.15 RESOURCES NOT REPORTED ELSEWHERE

During the financial year 2015/16, the Roads Fund Board had 18 staff, however the Act allows the Board to outsource some services. The human capital comprised of competent and well qualified staff in various operational areas. The position of employees provides

assurance to the Board towards achievement of its strategic goals. Furthermore, during the year under consideration the Board had sufficient funds to fulfil its financial commitments. In addition, the Board had reasonable expectation that the Government of the United Republic of Tanzania and Development Partners would avail the funds for financing the Boards` planned activities for 2015/16. In that regard, the Board was considered to have adequate resources to continue with its core operations.

1.16 RISK MANAGEMENT AND INTERNAL CONTROLS

The Board assessed the internal control systems throughout the financial year ended 30 June 2016 and is of the opinion that they met accepted criteria. It also accepts final responsibility for the risk management and internal control systems of the Fund. It is the duty of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- (i) The effectiveness and efficiency of operations;
- (ii) The safeguarding of assets;
- (iii) Compliance with applicable laws and regulations;
- (iv) The reliability of accounting records;
- (v) Business sustainability under normal as well as adverse conditions; and
- (vi) Responsible behaviours towards all stakeholders.

The Roads Fund Board carries risk and internal control assessment through the Audit Committee. The key elements of the system of internal control are as follows:

1.16.1 Delegation

The Roads Fund Board has delegated the day-to-day operations to Management for execution. There is a clear organization structure, detailing lines of authority and separation of powers and responsibilities.

1.16.2 Budgets

Detailed annual budgets are prepared by the Management for review by TFAC and approved by the Board. The annual budgets are derived from the Roads Fund Board Strategic Plan and Medium Terms Expenditure Framework (MTEF).

1.16.3 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 consolidate existing staff skills and competences.

1.16.4 Internal audit

The internal audit unit has been in place to oversee compliance with laws and regulations governing public expenditure and procurement. The Unit assesses risk and reviews

controls and governance issues. The unit ensures that recommendations to improve controls are followed up by the Management. The Internal Auditor reports functionally to the ARMC and administratively to the Roads Fund Manager.

1.16.5 Appropriation of reserves/surplus

The Roads Fund Board is a public institution that is not for profit and for that reason; there is no declaration of dividends.

1.17 FUTURE DEVELOPMENT PLANS

The future plans of the Roads Fund board are elaborated in the Five Year Strategic Plan covering 2014/15 to 2018/19. Future plans includes:

- (i) To reduce financing gap to 25 percent by 2018 by addressing overreliance on a single source of fund (fuel levy) by diversifying sources of funds and associating it with improved efficiency in the collection systems and revision of rates on existing sources;
- (ii) Strengthen monitoring of revenue collection and the utilisation of funds;
- (iii) Preventive Technical audit to cover the entire country (mainland) on sample basis;
- (iv) Establish a Management Information system where all information about Road Maintenance and needs would be captured and stored;
- (v) Linking RFB MIS with stakeholders management information systems such as TRA, EWURA, TPA, PIC, TANROADS, PMORALG and MoWTC;
- (vi) Establish Business Continuity Plan;
- (vii) Linking RFB MIS with weighbridge management system to monitor collection of overloading fees at the stations around the country in real time; and
- (viii) **To establish RFB'S head office in Dodoma.**

1.18 GENDER PARITY

The Roads Fund Board is equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion and disability which does not impair ability to discharge duties. As at 30 June 2016 the Board had the following distribution of employees by gender.

Gender	June 2016	Percentage
Female	5	28
Male	13	72
TOTAL	18	100

1.19 RELATED PARTY TRANSACTIONS

All related party transactions and balances, including director's emoluments are disclosed in Note 25 to these financial statements.

1.20 ENVIRONMENTAL CONTROL PROGRAM

The Board has established Management Information System to facilitate sharing of information as a mechanism to reduce paper usage. It also monitors its activities and operations keenly enough, and ensures that the wastes generated by its operational offices are properly managed and do not affect the environment. This is achieved by ensuring the availability of proper facilities for waste management.

1.21 DONATIONS

During the financial year 2015/16, RFB donated a total of TZS 3,549,000.00 to purchase three laptops contributed to Engineers Registration Board (ERB) for award of undergraduate science best women students, TZS 5,000,000.00 to support training to the Centre against Gender Based Violence.

1.22 ACCOUNTING POLICIES

A summary of key accounting policies is provided in Note 2 to the financial statements.

1.23 EMPLOYEES WELFARE

1.23.1 Management and employees' relationship

The relationship between the Management and employees was good. There were no unresolved complaints received by Management from the employees during the year under review.

1.23.2 Training of employees

The Roads Fund Board has a training policy which aims to deliver cost effective training to its staff. The objective of training is to equip staff with the requisite knowledge and skills so that they perform their jobs professionally and advance in their careers. During the FY 2015/16 various staff attended seminars and Continued Professional Educations (CPDs).

1.23.3 Medical assistance

Members of Staff together with their family members were availed with medical insurance scheme.

1.23.4 Financial Assistance to staff with HIV/AIDS

Roads Fund Board has set aside a budget item to assist staff who are infected by HIV/AIDS in terms of food and medication. Up to 30th June 2016 there were no staff diagnosed with the disease.

1.23.5 Financial assistance to staff

The Board has established a Revolving Fund whereby, staff members can access loans to acquire or renovate a house and transport facility with the objective to assisting in promoting the welfare of its employees. Staff loans are available to employees depending on the assessment by the Management on the need and circumstance including **employee's ability to make payment in accordance with the existing Roads Fund Board's Staff Regulations.**

1.23.6 Employees Benefit Plan

The Employees Benefit plan for FY 2015/16 included: Employer Contribution to Social Security Fund, Health Insurance Scheme, Housing & Furniture Allowances, transport Allowances and Utilities. The employees benefit plan is implemented in accordance with **the existing Roads Fund Board's Staff Regulations.**

1.23.7 Persons with disabilities

The Roads Fund Board has not recruited any persons with disabilities. However, it is the policy of the Roads Fund Board not to discriminate persons with disability in recruitment.

1.24 LEGAL REQUIREMENTS

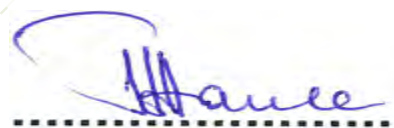
The Roads Fund Board is a government institution established by the Road and Fuel Tolls Act CAP 220. The Roads Fund Board reports to the Ministry of Works, transport and Communication and is obliged to comply with the Government procedures and existing laws and Regulations. The Board is mandated to manage the Roads Fund by ensuring that there is full collection of revenue, disbursing and monitoring the utilisation of the same to implementing agencies which are MoWTC, PORALG, and TANROADS. During the year under review, the Roads Fund Board complied with the applicable laws.

1.25 PREJUDICIAL ISSUES

During the year ended 30th June, 2016 there was no any serious prejudicial matters worth reporting.

1.26 AUDITORS

The Controller and Auditor General (CAG) is the statutory Auditor of the Roads Fund Board by virtue of Article 143 of the United Republic of Tanzania as amplified under Public Audit Act No. 11 of 2008.

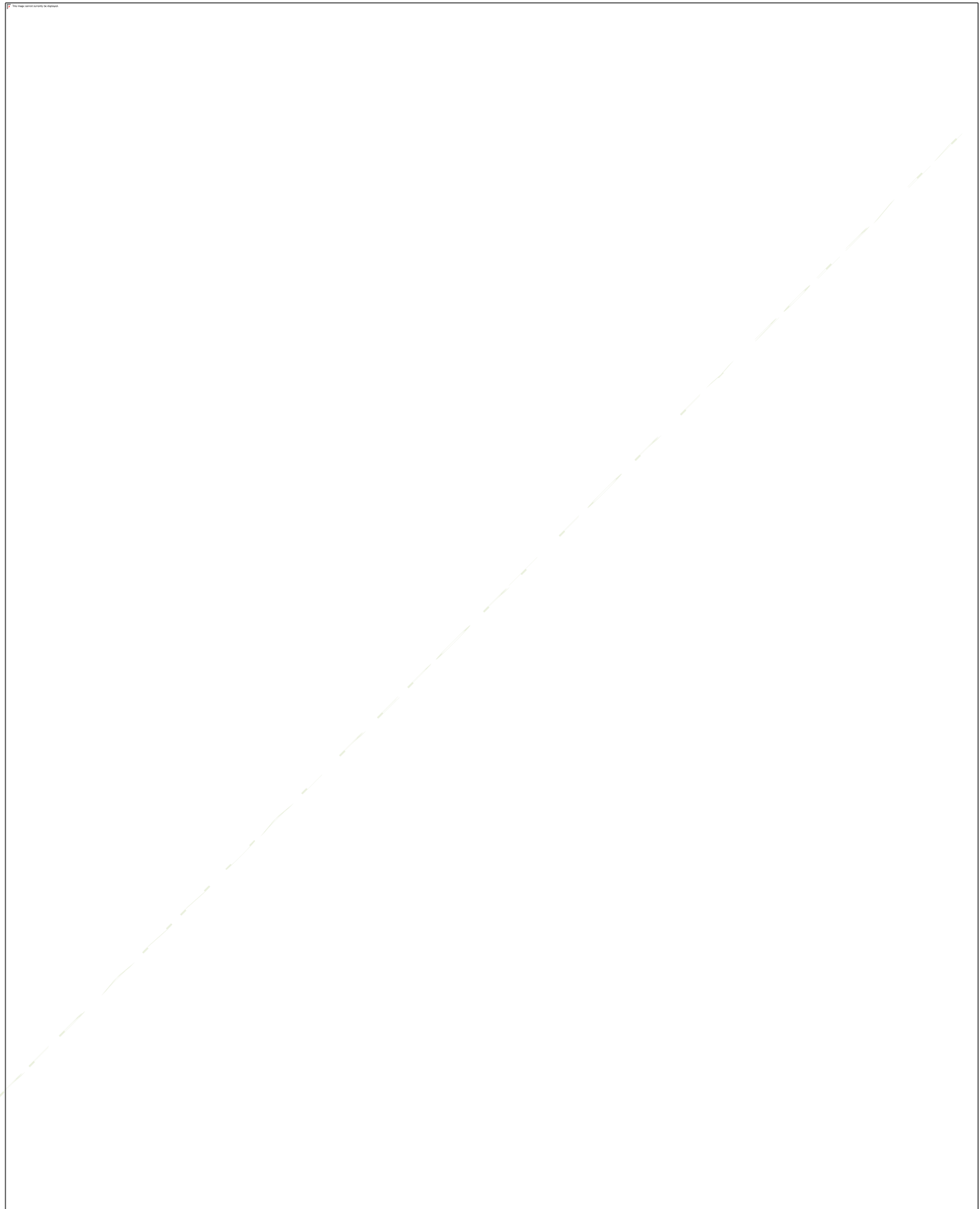


Signature
Chairman of Roads Fund Board

11th December 2017

Date

RFB FINANCIAL STATEMENTS AND AUDITORS OPINION



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 30th June, 2016 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 Other Legal and Regulatory Requirements

Compliance with the Public Procurement Act, 2011

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


Prof. Mussa J. Assad
CONTROLLER AND AUDITOR GENERAL

March, 2017



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 (Works),
Ministry of Works, Transport & Communication,
P.O. Box 2888,
Moshi Avenue,
DODOMA.

Roads Fund Manager,
3rd & 4th Floor, Road Fund House,
Njedengwa Area,
P.O. Box 993,
DODOMA.

STATEMENT OF THE GOVERNING BOARD OF DIRECTORS' RESPONSIBILITIES

The Governing Board is required by the Roads fund financial regulation to ensure maintaining proper records and books of accounts which should lead to the preparation of the financial statements. 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 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 ended 30th June 2016. The Board confirms that International Public Sector Accounting Standards (IPSAS) on accrual basis have been applied in preparation of the financial statements.

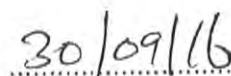
The Board is of the opinion that the financial statement gives a true and fair view of the state of affairs of the RFB and its operations results. The Governing Board further accept responsibility for the maintenance of the accounting records, which may be relied upon in the preparation of the financial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



DATE


DECLARATION OF THE HEAD OF FINANCE/ACCOUNTING OF ROAD FUND BOARD

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

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

I Anna T. Masaro being the Head of Finance/Accounting of Road Fund Board hereby acknowledge my responsibility of ensuring that financial statements for the year ended June 2016, have been prepared in compliance with applicable accounting standards and statutory requirements.

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

Signed by: Anna T. Masaro 

Position: Ag. Deputy Manager, Finance & Administration

NBAA Membership No.: 9A 6071

Date: 30.09.2016

Road Fund Board
Statement of Financial Position
As at June 30, 2016

Description	June 2016	June 2015
NON CURRENT ASSETS		
Property, Plant & Equipment (Note 23)	4,014,570,875	2,016,707,073
CURRENT ASSETS		
Cash and Cash equivalents (Note 24)	18,142,908,465	20,095,434,935
Roads Fund Receivables (Note 25)	429,696,593,819	486,989,550,497
Staff Safari & Other Imprest (Note 26)	-	516,886
Staff Loans & Advances (Note 27)	143,804,242	148,402,557
Other Receivables (Note 28)	71,265,569	112,363,630
	448,054,572,095	507,346,268,506
CURRENT LIABILITIES		
Funds Due to Implementing Agencies (Note 29)	360,520,000,765	260,007,717,229
Other Payables (Note 30)	341,473,418	
Other Provisions and Accruals (Note 31)	4,873,993,290	5,189,597,604
	365,735,467,473	265,197,314,833
NET CURRENT ASSETS/(LIABILITIES)	82,319,104,622	242,148,953,673
TOTAL ASSETS LESS CURRENT LIABILITIES	86,333,675,496	244,165,660,746
CAPITAL AND RESERVES		
Contributed Capital (Note 32)	56,842,632	56,842,632
Development Partners Support (Note 33)	99,287,978	99,287,978
Accumulated Surplus (note 34)	86,177,544,887	244,009,530,137
	86,333,675,496	244,165,660,746

NOTES 1-40 FORM PART OF THESE ACCOUNTS


 CHAIRMAN

30.09.2016
 DATE


 ROAD FUND MANAGER

Road Fund Board
Statement of Cash Flow
For the Twelve Months Ending June 30, 2016

Description	June 2016	June 2015
Receipts		
Fuel Levy and Transit charges	599,658,007,425	392,634,300,000
Overloading fees	8,077,246,937	11,881,182,749
Interest received	818,898,312	588,939,182
Donor support Fund (Note 3.1)	26,114,158,400	19,772,448,112
Payments		
Payments to Employees (Note 8 to 11)	(2,049,952,401)	(1,818,599,742)
Payments for Good and services supplied	(2,825,008,431)	(1,463,263,714)
Payment for Board Members and Board Meetings (Note 18)	(590,322,913)	(732,918,868)
Loans given to Employees	(42,499,999)	(103,136,827)
Payment in respect Bonde la Mpunga project		(3,400,813,046)
Payment in respect of chalinze by Pass project		(109,429,231)
Payment to Barakuda project		(100,000,000)
Payment various Emergency works(Note 34.1)	(5,158,001,644)	
Transfer to Implementing agencies(Note 34.2)	(595,028,329,931)	(396,413,055,300)
Transfer in respect of DFID Funds(Note 34.3)	(28,729,049,036)	(10,824,892,306)
Net Cash Flow from Operations	(245,146,719)	9,910,761,009
Cash flow from Investing Activities		
Purchase of Plants and Equipments(Note 23)	(2,197,673,190)	(973,031,338)
Net Cash Flow from Investing Activities	(2,197,673,190)	(973,031,338)
Net Increase (Decrease) in Cash	(1,952,526,471)	8,937,729,671
Net Increase (Decrease) in Cash	(1,952,526,471)	8,937,729,671
Cash at Beginning of Period	20,095,434,936	11,157,705,264
Cash and Equivalents at End of Period	18,142,908,465	20,095,434,936

NOTES 1-40 FORM PART OF THESE ACCOUNTS



CHAIRMAN

30.09.2016

DATE



ROAD FUND
MANAGER

Road Fund Board
Consolidated Statement of Comprehensive Income
For the Twelve Months Ending June 30, 2016

Description	June 2016	June 2015
Operating Revenue		
Fuel Levy	705,091,411,698	623,175,176,771
Transit Charges	9,491,496,859	7,904,356,679
Overloading fees	8,077,246,937	11,348,406,232
Interest Income(Note 2.1 & 2.2)	818,898,313	588,939,182
Other Income (Note 3)	278,491,547	198,310,481
Donor Support Fund(Note 3.1)	26,114,158,400	19,772,448,112
Total Operating Revenue	749,871,703,754	662,987,637,457
Disbursements to Implementing Agencies		
Tanzania National Roads Agency	454,675,709,376	338,458,945,500
President's office Regional Administration and local Govt	251,575,146,446	180,943,340,112
Special allocation-TANROADS (Note 4)	5,835,101,881	3,041,000,000
Special allocations-Councils (Note 5)	20,000,000	100,000,000
Special allocations-MoWTC (Note 6)	138,898,077,459	680,000,000
Ministry of Works, Transport and Communications	50,519,523,266	37,606,469,400
Total Disbursements to Implementing Agencies	901,523,558,429	560,829,755,012
Roads Fund Board Administration Expenditure		
Personal Emoluments (Note 8)	861,556,781	713,291,766
Employment Allowances (Note 9)	980,249,280	958,584,995
Employer contribution to Social security (Note 10)	44,075,520	14,286,900
Employer contribution to Staff welfare (note 11)	164,070,820	132,436,081
Communication, Information, Supplies and Services (Note 12)	179,471,076	155,836,871
Office Supplies and Services (Note 13)	112,110,829	103,955,162
Rental Expenses (Note 14)	469,616,534	350,385,627
Training, Seminars and Consultative meetings (Note 15)	44,754,032	82,183,704
Travel and Subsistence Allowance (Note 16)	166,786,380	112,070,500
Utilities (Note 17)	34,996,733	-
Board Meetings ,Stakeholders and Other Board Expenses (Note 18)	590,322,913	732,918,868
Other Goods & Services (Note 19)	55,837,083	3,500,673,085
Maintenance of Motor Vehicle & Office Equipments (Note 20)	590,938,526	53,652,626
Depreciations(Note 23)	217,159,351	129,642,525
Audit Expenses (Note 21)	1,376,209,480	1,359,484,472
Acquisition of Monitoring Equipments	-	380,000,000
Acquisition of Mobile Weighbridge	-	97,582,253
Planning & Monitoring Expenses	272,808,542	366,846,132
Bank Charges (Note 22)	19,166,694	13,700,751

Total Roads Fund Administration Expenditure	6,180,130,575	9,257,532,317
Total Roads Fund Operating Expenditure	907,703,689,004	570,087,287,329
Surplus/Deficit from Operating Activities	(157,831,985,250)	92,900,350,128

NOTES 1-40 FORM PART OF THESE ACCOUNTS



CHAIRMAN

30.09.2016 

DATE ROAD FUND
MANAGER

Road Fund Board
Road Fund Disbursement
Statement of Comprehensive Income
For the Twelve Months Ending June 30, 2016

Description	June 2016	June 2015
Operating Revenue		
Fuel Levy	705,091,411,698	623,175,176,771
Transit Charges	9,491,496,859	7,904,356,679
Overloading fees	8,077,246,937	11,348,406,232
Interest Income(Note 2.1)	818,778,313	588,939,182
Donor Support Fund(Income)	26,114,158,400	19,772,448,112
Total Operating Revenue	749,593,092,207	662,789,326,976
Disbursements to Implementing Agencies		
Tanzania National Roads Agency	454,675,709,376	338,458,945,500
President's office Regional Administration and local Govt	251,575,146,446	180,943,340,112
Special allocation-TANROADS (Note 4)	5,835,101,881	3,041,000,000
Special allocations-Councils (Note 5)	20,000,000	100,000,000
Special allocations-MoWTC (Note 6)	138,898,077,459	680,000,000
Special allocations-RFB(Note 7)	162,618,000	7,404,000,000
Ministry of Works, Transport and Communications	50,519,523,266	37,606,469,400
Roads Fund Board Administration	6,260,535,120	4,664,223,273
Total Operating Expenditure	907,946,711,549	572,897,978,285
Surplus/Deficit from Operating Activities	(158,353,619,342)	89,891,348,691

NOTES 1-40 FORM PART OF THESE ACCOUNTS


 CHAIRMAN

30.09.2016
 DATE


 ROAD FUND MANAGER

Road Fund Board
Roads Fund Administration
Statement of Comprehensive Income
For the Twelve Months Ending June 30, 2016

Description	June 2016	June 2015
Operating Revenue		
Roads Fund Allocation	6,423,153,120	12,068,223,273
Interest Income(Note 2.2)	120,000	
Other Income(Note 3)	278,491,547	198,310,481
Total Operating Revenue	6,701,764,667	12,266,533,754
 Roads Fund Board Operating Expenditure		
Personal Emoluments (Note 8)	861,556,781	713,291,766
Employment Allowances (Note 9)	980,249,280	958,584,995
Employer contribution to Social security (Note 10)	44,075,520	14,286,900
Employer contribution to Staff welfare (note 11)	164,070,820	132,436,081
Communication, Information, Supplies and Services (Note 12)	179,471,076	155,836,871
Office Supplies and Services (Note 13)	112,110,829	103,955,162
Rental Expenses (Note 14)	469,616,534	350,385,627
Training, Seminars and Consultative meetings (Note 15)	44,754,032	82,183,704
Travel and Subsistence Allowance (Note 16)	166,786,380	112,070,500
Utilities (Note 17)	34,996,733	
Board Meetings ,Stakeholders and Other Board Expenses (Note 18)	590,322,913	732,918,868
Other Goods & Services (Note 19)	55,837,083	3,500,673,085
Maintenance of Motor Vehicle & Office Equipments (Note 20)	590,938,576	53,652,626
Depreciations (Note 23)	217,159,351	129,642,525
Audit Expenses (Note 21)	1,376,209,480	1,359,484,472
Acquisition of Monitoring Equipments	-	380,000,000
Acquisition of Mobile Weighbridge	-	97,582,253
Planning & Monitoring Expenses	272,808,542	366,846,132
Bank Charges (Note 22)	19,166,694	13,700,751
Total Roads Fund Board Administration Operating Expenditure	6,180,130,575	9,257,532,317
Surplus/Deficit from Operating Activities	521,634,092	3,009,001,437

NOTES 1-40 FORM PART OF THESE ACCOUNTS


 CHAIRMAN

30.09.2016
 DATE


 ROAD FUND MANAGER

**Road Fund Board
Statement of Changes in Equity
For the Twelve Months Ending June 30, 2016**

	Contributed Capital	Development Partners Support	Accumulated Surplus	Total
At July 01,2015	56,842,632	99,287,978	244,009,530,136	244,165,660,746
Changes in accounting Policy	-	-	-	-
Prior year Adjustment	-	-	-	-
Restated Balance	56,842,632	99,287,978	244,009,530,136	244,165,660,746
Changes in Equity for 2015/16				
Revaluation Reserves	-	-	(157,831,985,250)	(157,831,985,250)
Surplus/(deficit) for the year	-	-	86,177,544,886	86,333,675,496
At June 30,2016	56,842,632	99,287,978	86,177,544,886	86,333,675,496

NOTES 1-40 FORM PART OF THESE ACCOUNTS



CHAIRMAN

30.09.2016 
DATE ROAD FUND MANAGER

Road Fund Board
Consolidated Statement Actual Vs Budget
For the Twelve Months Ending June 30, 2016

Description	Annual Budget	Revised	Actual	Variance
Operating Revenue				
Fuel Levy	860,630,000,000	721,969,200,000	705,091,411,698	(16,877,788,302)
Transit Charges	6,000,000,000	6,000,000,000	9,491,496,859	3,491,496,859
Overloading fees	7,500,000,000	7,500,000,000	8,077,246,937	577,246,937
Interest Income (Note 2)			818,898,313	818,898,313
Other Income (Note 3)			278,491,547	278,491,547
DFID Support Fund	14,000,000,000	14,000,000,000	26,114,158,400	12,114,158,400
Total Operating Revenue	888,130,000,000	749,469,200,000	749,871,703,754	402,503,754
Disbursements to Implementing Agencies				
Tanzania National Roads Agency	541,280,606,400	454,675,709,376	257,456,986,810	(197,218,722,566)
PM's office Regional Administration and local Govt	257,754,086,000	216,513,432,240	121,181,326,589	(95,332,105,651)
Special allocation-TANROADS (Note 4)		4,486,472,782	2,652,997,244	(1,833,475,538)
Special allocations-Councils (Note 5)		20,000,000		20,000,000
Special allocations-MoWTC (Note 6)		140,164,463,857	139,373,386,400	(791,077,457)
Ministry of Works	60,142,289,600	50,519,523,264	28,515,765,416	(22,003,757,848)
Total Disbursements to Implementing Agencies	859,176,982,000	866,379,601,520	551,907,258,155	(317,159,139,060)
Roads Fund Board Administration Expenditure				
Basic Salaries	884,566,578	844,566,578	842,658,281	1,908,297
Casual Labourers & Temporary Employees	23,500,000	19,500,000	18,898,500	601,500
Leave Travel	74,399,394	59,399,394	59,035,667	363,727
Transport Allowances	267,837,818	255,837,818	255,039,065	798,753
Housing Allowances	67,832,813	53,832,813	53,752,600	80,213
Per Diems-Domestic	328,180,618	308,180,618	285,314,126	22,866,492
Extra Duty	120,336,000	113,336,000	112,485,000	851,000
Outfit Allowance	4,400,000			
Utilities	57,480,000	57,480,000	56,641,400	838,600
Per diems-Foreign	120,408,000	105,408,000	100,941,422	4,466,578
NSSF Employer Contribution	8,862,000	8,862,000	8,859,420	2,580
PPF-Employer Contribution	16,002,310	16,002,310	15,822,000	180,310
Health Insurance Scheme	46,453,272	40,453,272	38,547,820	1,905,452
Gratuity Provision	170,100,647	130,100,647	125,523,000	4,577,647
LAPF Employer Contribution	13,196,580	13,196,580	13,186,800	9,780
PSPF Employer Contribution	6,208,200	6,208,200	6,207,300	900
Telephone, Fax & Telegram	13,230,000	11,230,000	9,728,998	1,501,002
Postal Charges	3,600,000	3,600,000	936,100	2,663,900
Internet	37,292,000	37,292,000	37,201,601	90,399
Printing	78,200,000	69,200,000	68,781,760	418,240

Advertising	63,000,000	63,000,000	62,942,617	57,383
Periodicals & Newspapers	9,600,000	6,600,000	6,067,900	532,100
Annual Professional Fee	12,000,000	12,000,000	11,821,823	178,177
Food and Refreshments	20,260,000	16,260,000	15,695,605	564,395
Gifts, Prizes & Miscellaneous				
Donations	13,800,000	13,800,000	13,606,000	194,000
Computer Accessories supplies	14,600,000	14,600,000	14,521,000	79,000
Stationery Supplies	28,190,000	28,190,000	28,167,687	22,313
Office tea, sugar and drinking water	21,600,000	7,600,000	7,022,862	577,138
Rental Expenses-Office Building	445,983,232	445,983,232	444,799,212	1,184,020
Rent-Conference Facilities	22,950,000	22,950,000	19,660,322	3,289,678
Hire of Vehicles	5,600,000	5,600,000	5,157,000	443,000
Technical & Professional Training	108,650,000	48,650,000	44,754,032	3,895,968
Travelling-Local	54,957,557	54,957,557	54,660,658	296,899
Travelling-Foreign	146,800,000	116,800,000	112,125,722	4,674,278
Electricity	35,000,000	35,000,000	34,996,733	3,267
Professional/Consultancy Services	69,100,000	49,100,000	28,865,560	20,234,440
Honorariums	57,800,000	57,800,000	57,040,000	760,000
Burial Expenses	6,000,000			
Insurance	5,000,000			
Bank Charges	20,400,000	18,400,000	19,166,694	(766,694)
Miscellaneous expenses	4,100,000	4,100,000	2,229,700	1,870,300
Consultative/Stakeholders Meetings	245,400,000	238,400,000	238,005,330	394,670
Tender Board Expenses	77,375,000	60,375,000	60,331,917	43,083
Board Members -Per diems Local	26,350,000	18,350,000	14,835,000	3,515,000
Board Members -Per diems Foreign	34,020,000	15,020,000	12,223,600	2,796,400
Audit Expenses	1,394,000,000	1,384,000,000	1,376,209,480	7,790,520
Board Meetings	363,560,000	243,560,000	214,607,052	28,952,949
Planning & Monitoring Expenses	273,440,000	273,440,000	272,808,542	631,458
Other Board Expenses	45,000,000	57,618,000	50,320,015	7,297,985
Service & Repair-Technical Equipments	73,040,000	65,040,000	64,843,225	196,775
Service & Repair-Vehicles & Mobile Equip	30,000,000	28,000,000	27,221,942	778,058
Service & Repair-Building	410,300,000	560,300,000	498,873,359	61,426,641
Diesel	28,998,981	28,998,981	26,909,776	2,089,205
Acquisition of Office Furniture	150,000,000	80,917,120	6,846,308	74,070,812
Acquisition of Equipments	754,057,000	104,057,000	83,090,571	20,966,429
Acquisition of Motor Vehicles	5,000,000	5,000,000		5,000,000
Acquisition of Intangible Assets	35,000,000	85,000,000	80,396,682	4,603,318
Total	7,453,018,000	6,423,153,120	6,120,384,786	302,768,334

NOTES 1- 40 FORM PART OF THESE ACCOUNTS


 CHAIRMAN

 30.09.2016
 DATE


 ROAD FUND MANAGER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2016**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.

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%

2.3. 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.

2.4. 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.

2.5. 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 STATEMENTS For the Twelve Months Ending June 30, 2016

Description	June 2016	June 2015
Note 2: Interest Income		
FDR - AZANIA HQ	218,202,406	265,729,958
FDR - BANK M	75,003,678	66,643,626
FDR - AZANIA Bancorp		68,527,439
FDR - AZANIA Mawasiliano Branch	257,361,060	0
Administration Account (Azania)	120,000	
Disbursement Account (CRDB bank)	268,211,169	188,038,159
Total Interest Income	818,898,313	588,939,182
Note 3: Other Income		
Management Fee - DFID funded Projects	261,141,584	197,724,481
Road Sector Support Project	17,349,963	
Miscellaneous Income		586,000
Total Other Income	278,491,547	198,310,481
<i>Increase in other incomes is due to management fees provided by DFID to monitor their bottleneck funds to various Councils.</i>		
Note 3.1 Donor Fund		
DFID Funds	26,114,158,400	19,772,448,112
Total Donor Fund	26,114,158,400	19,772,448,112
These are Funds provided by DFID for bottleneck projects identified in Selected councils		

Note 4: Special allocation - TANROADS

Release from Special fund(Overloading Charges) as follows:

Special allocation – operation		3,041,000,000
Lumela - Kiseke Road in Ilemela MC	182,653,008	
Tanroads - Singida - Tobaru Roads	741,351,000	
Relocating Utility along Ghana Quarters to Pansiani (Mwanza Airport Road)	494,952,930	
Upgrading Access Road to Dodoma Airport to Paved Standard	414,518,600	
Purchase of Office Plot	1,000,000,000	
Bonde la Mpunga	975,239,943	
Gubali - Hauli (20 KM)	300,000,000.00	
Kwa Matias - Msangani (9KM)	250,000,000.00	
Chato - Rubambagwe (4KM)	250,000,000.00	
Construction of Special Road	1,226,386,400	
Total Special allocation - TANROADS	5,835,101,881	3,041,000,000
<i>Increase in Special allocation to TANROADS is due need to address national demands</i>		

Note 5: Special allocation - Councils

Special Release for the following Roads/ Activities		
Barakuda Road		100,000,000
Purchase of Motor Cycles	20,000,000	
Total Special allocation - Councils	20,000,000	100,000,000

Note 6: Special allocation - MoW

Special Release for the following Roads/ Activities		
Special allocation – operation		680,000,000
Optical fiber cable connection and purchase of computers for 17 weighbridge stations	867,077,459	
Long term outstanding debts	137,031,000,000	
Construction office Building	1,000,000,000	
Total Special allocation - MoW	138,898,077,459	680,000,000

Note 7: Special allocation - RFB

Special Release for the following Roads/ Activities		
Special allocation – operation		1,604,000,000
Electricity at RFB Building	150,000,000	
Gadgets for Board Members	12,618,000	
Total Special allocation - RFB	162,618,000	1,604,000,000

Note 8: Personal Emoluments

Basic Salaries	842,658,281	697,219,236
Casual Labourers & Temporary Employees	18,898,500	16,072,530
Total Personal Emoluments	861,556,781	713,291,766

Increase in Personnel Emolument is due to recruitment of new employees.

Note 9: Employment Allowances		
Leave Travel	59,035,667	50,072,750
Transport Allowances	255,039,065	163,292,388
Housing & Furniture Allowances	53,752,600	89,300,188
Per Diems-Domestic	285,314,126	294,343,281
Extra Duty	112,485,000	79,085,000
Outfit Allowance	0	1,500,000
Utilities	56,641,400	47,240,000
Per diems-Foreign	100,941,422	173,151,388
Honorarium	57,040,000	60,600,000
Total Employment Allowances	980,249,280	958,584,995

Increase in Personnel Emolument is due to recruitment of new employees.

Note 10: Employer Contribution to Social Security		
NSSF Employer Contribution	8,859,420	6,633,900
PPF-Employer Contribution	15,822,000	6,595,350
LAPF Employer Contribution	13,186,800	1,057,650
PSPF Employer Contribution	6,207,300	
Total Employer Contribution to Social Security	44,075,520	14,286,900

Increase in Employer Contribution to Social Security is due to recruitment of new employees.

Note 11: Employer Contribution to staff welfare		
Health Insurance Scheme	38,547,820	26,216,144
Gratuity Expense	125,523,000	106,219,938
Total Employer Contribution to staff welfare	164,070,820	132,436,081

Increase in Employer Contribution to staff welfare is due to recruitment of new employees.

Note 12: Communication, Information, Supplies and service		
Telephone, Fax & Telegram	9,728,998	12,233,472
Postal Charges	936,100	1,280,163
Internet	37,201,601	27,644,386
Printing	68,661,760	76,426,200
Advertising	62,942,617	38,252,650
Total Communication, Information, Supplies and service	179,471,076	155,836,871

Increase in Communication, Information, Supplies and service is due to recruitment of new employees and preparation of RFB Video Documentary

Note 13: Office Supplies and Services		
Periodicals & Newspapers	6,067,900	5,207,560
Food and Refreshments	15,695,605	15,303,680
Office tea, sugar and drinking water	7,022,862	8,268,927

Gifts, Prizes & Miscellaneous Donations	13,606,000	3,095,500
Stationery Supplies	28,287,687	26,858,824
Computer Accessories supplies	14,521,000	10,121,351
Diesel	26,909,776	35,099,321
Total Office Supplies and Services	112,110,829	103,955,162

Increase in Office Supplies and Services is due to recruitment of new employees.

Note 14: Rental expenses		
Rental Expenses-Office Building	444,799,212	311,910,601
Rent-Conference Facilities	19,660,322	24,078,710
Hire of Vehicles	5,157,000	14,396,316
Total Rental expenses	469,616,534	350,385,627

Increase in Rental Expenses is due to Exchange Rate Fluctuations

Note 15: Training, seminars & Consultative Meetings		
Technical & Professional Training	44,754,032	82,183,704
Total Training, seminars & Consultative Meetings	44,754,032	82,183,704

Note 16: Travel and Subsistence		
Travelling-Local	54,660,658	28,975,000
Travelling-Foreign	112,125,722	83,095,500
Total Travel and Subsistence	166,786,380	112,070,500

Increase in Training, seminars & Consultative Meetings is due to Exchange Rate Fluctuations

Note 17: Utilities		
Utilities	34,996,733	

Increase in Utilities is due to payment of electricity for the rented office space

Note 18: Board Meeting and Other Board Expenses		
Board Meetings & Consultative Meetings	214,607,052	372,876,410
Board Members-Per diems Local	14,835,000	11,426,250
Board Members-Per diems Foreign	12,223,600	19,390,680
Other Board Expenses	50,320,015	33,456,868
Consultative/Stakeholders Meetings	238,005,330	242,109,180
Tender Board Expenses	60,331,917	53,659,480
Total Board Meeting and Other Board Expenses	590,322,913	732,918,868

Note 19: Other Goods and Services		
Professional/Consultancy Services	41,785,560	3,485,881,734
Insurance	0	873,600
Miscellaneous expenses	2,229,700	2,281,683
Annual Professional Fee	11,821,823	10,936,068
Burial Expenses		700,000
Total Other Goods and Services	55,837,083	3,500,673,085

Note 20: Maintenance of Motor Vehicle and Office Equipments		
Service & Repair-Technical Equipments	64,843,225	29,984,965
Service & Repair-Vehicles & Mobile Equip	27,221,942	23,667,691
Service & Repair – Building	498,873,359	
Total Maintenance of Motor Vehicle and Office Equipments Maintenance of		
Motor Vehicle and Office Equipments Maintenance of Motor Vehicle and	590,938,526	53,652,656
Office Equipments		

Increase in Maintenance of Motor Vehicle and Office Equipments is due to connection of electricity and provision for water at RFB office Building.

Note 21: Audit Expenses		
Audit Expenses	1,376,209,480	1,359,484,472

Note 22: Bank Charges		
Bank Charges (Note 22)	19,166,694	13,700,751
<i>Increase in Bank Charges is due to Operating new Administration account in Azania Bank</i>		

Road Fund Board
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2016

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

PARTICULARS	LAND	WIP for Building	M/VEHICLES	OFFICE EQUIPMENTS	OFFICE FURNITURE & FITTINGS	COMPUTER SOFTWARE	TOTAL
	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.
Cost as at 01.07.2015	616,150,012	1,072,704,365	448,488,684	315,360,518	379,561,209	16,400,000	2,848,664,788
Additions during the year	-	2,044,689,591	-	83,090,571	6,846,308	80,396,682	2,215,023,153
Disposal during the year	-	-	-	-	-	-	-
Cost as at 30.06.2016	616,150,012	3,117,393,957	448,488,684	398,451,089	386,407,517	96,796,682	5,063,687,941
Acc. Depreciation as at 01.07.2015	-	-	360,014,139	198,765,130	267,028,447	6,150,000	837,957,715
Depreciation charge for the year	-	-	44,237,273	89,403,481	47,219,841	36,298,756	217,159,351
Depreciation on disposal for the year	-	-	-	-	-	-	-
Acc. Depreciation as at 30.06.2016	-	-	404,251,411	288,168,610	314,248,288	42,448,756	1,049,117,066
Net Book Value as at 01.07.2015	616,150,012	1,072,704,365	88,474,545	116,595,388	112,532,762	10,250,000	2,016,707,073
Net Book Value as at 30.06.2016	616,150,012	3,117,393,957	44,237,273	110,282,478	72,159,229	54,347,927	4,014,570,875

Note 24: Cash and Cash Equivalents

Administration Cash A/C	118,786,540	58,187,598
Disbursement Cash Account	8,428,986,584	16,596,366,313
Fixed Deposit Cash Account	8,908,328,065	3,057,760,921
Azania Administration Cash A/C	685,807,276	382,120,104
Petty Cash	1,000,000	1,000,000
Total Cash and Cash Equivalents	18,142,908,465	20,095,434,935

Note 25: Roads Fund Receivables

BOT Road Toll Cash Collection A/C	335,590,903,709	468,598,313,709
BOT Road Fund A/C	66,532,658,689	
TRA Control	17,378,032,908	2,079,524,193
Tanroads Control		496,535,863
TRA Transit Charges Control	5,700,519,957	6,980,786,227
Fund Receivable - RFB Administration	4,494,478,556	8,834,390,504
Total Roads Fund Receivables	429,696,593,819	486,989,550,497

Note 26: Safari Imprest & Other Imprest

Imprest Control	-	516,886
Total staff Imprest & Other Imprest	-	516,886

Note 27: Staff Loans & Advances

Total Staff Loans & Advances	143,804,242	148,402,557
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Note 28: Other Receivables

Prepaid Health Insurance Scheme	57,736,836	40,977,135
Prepaid Office Rent	-	
Prepaid Service of office Equipments	2,676,484	11,082,166
Prepaid Service of Motor vehicle security system and Fuel	5,125,849	5,414,453
Internet service	274,900	118,700
Prepaid contribution to social security	60,000	60,000
Prepaid Training	5,391,500	
Roads Classification Expenses		53,945,858
International Conference Expenses		765,318
Total Other Receivables	71,265,569	112,363,630

Note 29: Funds Due to Implementing Agencies

Funds Due-Tanroads	214,382,665,850	170,116,602,188
Funds Due-PORALG	7,269,222,867	7,269,222,867
Funds Due-MOW	24,312,061,860	18,499,866,511
Funds Due-RFB Administration	3,494,478,557	8,034,390,505
Funds Due to Councils	111,061,571,630	56,087,635,158
Total Funds Due to Implementing Agencies	360,520,000,764	260,007,717,229

Note 30: Other Payable

Roads Classification (MOWTC)	308,543,537
International Conference Payable	10,364,682
W/ Tax on RFB staff salary	16,267,200

NSSF Payable	1,238,800
PPF Payable	2,624,400
LAPF Payable	1,465,200
PSPF Payable	919,600
GEPF Payable	50,000
Total Other Payable	341,473,419

Note 31: Other Provisions and Accruals

Office water	286,259	101,383
Leave travel assistance	-	4,598,000
ARMFA membership fees	-	620,000
IFMS support	1,982,150	1,982,150
TTCL Bills	921,763	815,502
TPA Link	1,256,015	1,256,015
Audit expenses	1,103,327,634	1,036,820,618
Advertising	54,790,479	25,706,315
Annual report printing expenses	79,001,749	71,213,749
Tender related services	-	12,575,000
Honorarium	20,448,600	30,000,000
Monitoring expenses	29,814,232	56,800,000
Travelling on duty	7,186,500	10,999,715
Consultancy service	3,423,980,947	3,403,122,603
Office Rent	68,258,336	45,286,092
Training expenses	3,003,860	7,150,900
Contribution to welfares schemes and staff related Matters	10,197,355	2,164,878
Land rent expense	-	555,930
Newspaper and Periodic	522,000	
Food and refreshments	596,640	246,500
Equipment for Implementing agencies	32,505,103	477,582,253
Postal Charges	551,500	
Board Members Expenses	17,820,000	
Service of Technical Equipments	17,542,670	
Total Other Provisions and Accruals	4,873,993,290	5,189,597,603

Note 32: Contributed Capital

Net Assets from Ministry responsible for Road as start of RFB	56,842,632	56,842,632
Addition for the year		
Total Contributed Capital		

Note 33: Development Partners Support

Opening balance	99,287,978	99,287,978
Addition for the Year		
Total Donor Support		

Note 34: Accumulated Surplus

Opening balance as at beginning of the financial year	244,009,530,137	151,109,180,009
Add: Surplus/Deficit for the year	(157,831,985,250)	92,900,350,128

Ass: Prior year Adjustment	86,177,544,887	244,009,530,137
Total Accumulated Surplus		
Note 34.1 - Payment for various Emergency works		
Emergency works	5,158,001,644	
Total Payment for various Emergency works	5,158,001,644	
<i>Increase in payment for various Emergency works is actual funds transfer to TANROADS, MOW, PORALG and RFB as special allocation from overloading collections</i>		
Note 34.2 - Transfer to Implementing agencies		
Transfer to Implementing agencies	595,028,329,931	96,413,055,300
Total Transfer to Implementing agencies	595,028,329,931	96,413,055,300
<i>Increase in transfer to implementing agencies is actual funds transfer to TANROADS, MOW, PORALG and RFB as normal allocation from Fuel and Transit fees collected and remitted to RFB.</i>		
Note 34.3 - Transfer in respect of DFID Funds		
Transfer in respect of DFID Funds	28,729,049,036	10,824,892,306
Total Transfer in respect of DFID Funds	28,729,049,036	10,824,892,306
<i>Increase in transfer in respect of DFID fund is actual funds transfer to PORALG and RFB as bottleneck funds to selected Councils and management fee to RFB.</i>		
Note 35: Employee benefits		
All benefit are short term (Note 8 to 11)	1,992,912,401	1,757,999,711
Health Insurance expense represents amortized prepayments (Note 18) while gratuity is provided for payment on expiry of employment contract (Provision for employee benefits)		
Note 36: Contingent liability		
There was no contingent liability as at the end of this financial year		
Note 37: Capital Commitment		
There was no capital commitment contracted and outstanding as at the end of this financial year		
Note 38: RFB Income		
Fuel Levy	705,091,411,698	623,175,176,771
Transit Charges	9,491,496,859	7,904,356,679
Overloading fees	8,077,246,937	11,348,406,232
DFID Support Fund	26,114,158,400	19,772,448,112
Total RFB Income	749,871,703,754	662,200,387,794

Note 39: Roads Fund Allocation

Roads Fund Allocation

6,423,153,120

12,068,223,273

This is the fund allocated to RFB
for administration activities.

Note 40: Budget Performance

Description	Original Annual Budget	Revised Annual Budget	Actual	Variance
Total Operating Revenue	888,130,000,000	749,469,200,000	749,593,212,207	124,012,207
<p>Original Budget differ with revised due to the Fact that, Ministry of finance directed RFB to reduce Its budget by 16 %</p>				
Total Disbursements to Implementing Agencies	868,083,305,038	866,379,601,520	551,887,258,156	(314,492,343,364)

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.

PART TWO: PERFORMANCE OF THE MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION

2.1 INTRODUCTION

This part presents activities performed by the MoWTC in FY 2015/16. 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 MoWTC 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 as per Road and Fuel Tolls Act CAP 220.

2.2 ANNUAL BUDGET

During Financial Year 2015/16, the Ministry was budgeted a total of TZS 50,519.5 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 1 below.

Figure 2.1: Budget Allocation (TZS MILL)

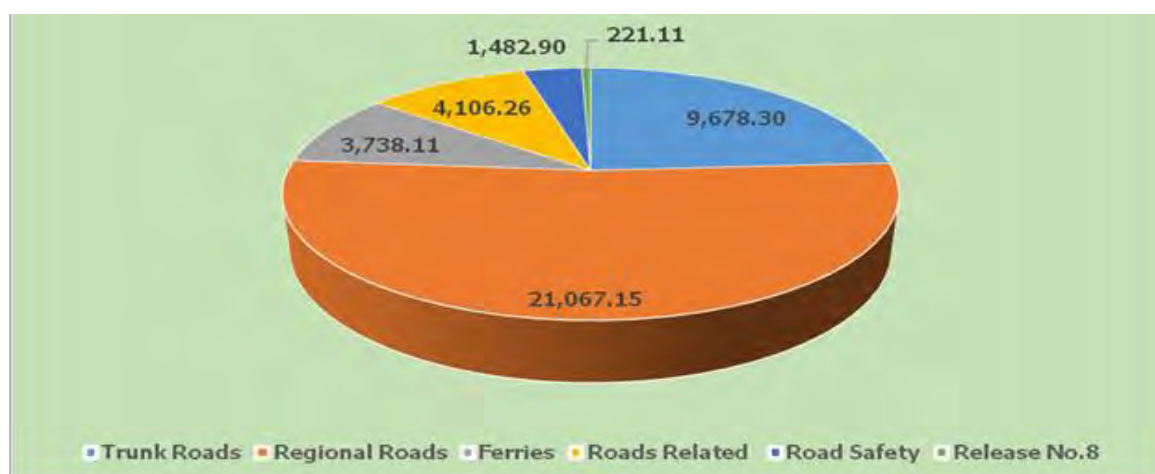


Source: MoW & RFB

2.3 OVERALL PHYSICAL AND FINANCIAL PERFORMANCE

Up to 30th June 2016, the release of funds made to the Ministry was TZS 40,293.8 million which is equivalent to 79.8% of the annual budget. Out of the amount released TZS 221.1 million was part of Release No. 08 of FY 2014/15 as shown in Figure 2 below.

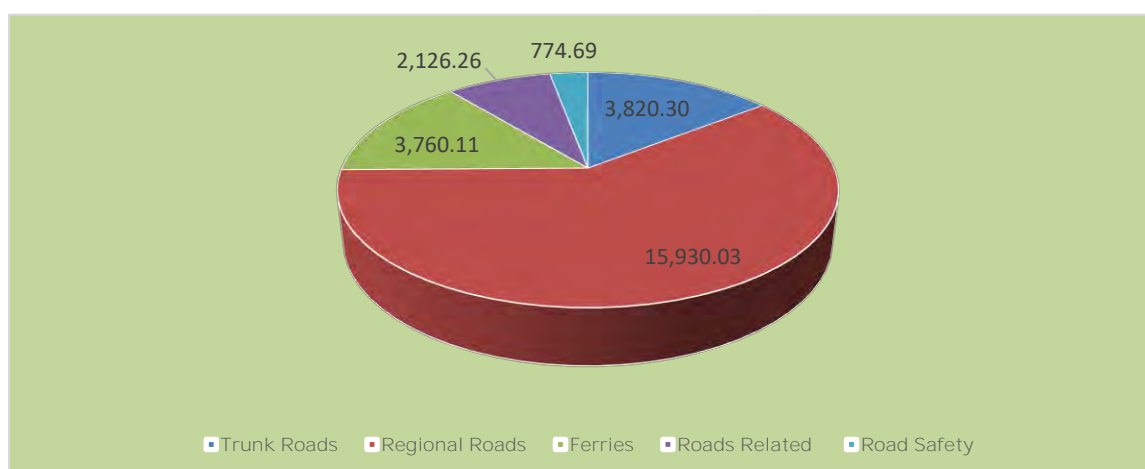
Figure 2.2: Cumulative Releases (TZS MILL)



Source: MoW & RFB

Total cumulative expenditure up to 30th June, 2016 was TZS 26,411.39 million which is equivalent to 52.3% of the annual budget as shown in Figure 3 below.

Figure 2.3: Cumulative Expenditure (TZS MILL)



Source: MoW & RFB

Low expenditures is due to delay of procurement processes in many projects and slow pace of implementation of some projects whose payment were output-based. The operational plan and implementation is elaborated hereunder.

2.4 TRUNK ROADS PROJECTS

During the year under review, a total of TZS 15,443.0 million were allocated for Trunk roads projects. The planned activities included:

- (i) Feasibility Studies and Detailed Design for 14 roads projects;
- (ii) Road flyovers compensation for TAZARA and Ubungu;
- (iii) Upgrading for decongestion of urban roads in Dar es Salaam City;

- (iv) Provision of escapes ramps for steep grades and climbing lanes along major trunk roads;
- (v) **Training and technical assistance to TANROADS' Staff;**
- (vi) Updating of Economic Manuals for TANROADS;
- (vii) Review and preparation of Standards and Specifications;
- (viii) Purchase of laboratory equipment for Central Materials Laboratory (CML); and
- (ix) Monitoring and Evaluation and other road related activities.

As at 30th June 2016, the Ministry received TZS 9,678.3 million in respect of trunk roads and had spent only TZS 3,820.3 million. The expenditure was equivalent to 39.5% of the amount received. The low expenditure was attributed to delay in procurement. The physical performance of the trunk roads projects for feasibility studies and detailed designs were at different stages of implementation as shown in Table 2.1.

2.5 REGIONAL ROADS PROJECTS

During the year under review, a total of TZS 34,409.8 million were allocated for Regional Roads projects. The planned activities were:

- (i) Rehabilitation/upgrading of 493.2 km to gravel standard and/ or to bitumen standard;
- (ii) Construction of 18 bridges and carrying out Feasibility Study and Detailed Design; and
- (iii) Training sessions for roads development and maintenance programmes as implemented by Appropriate Technology Training Institute (ATTI); Morogoro Works Training Institute (MWTI); Women Participation Unit (WPU); and the Tanzania Technology Transfer Centre (TANT² Centre).

As of 30th June, 2016, the cumulative funds released was TZS 21,067.1 million. Total expenditure was TZS 15,930.0 million equivalent to 75 percent. Table 2.2 shows in detail the relevant projects, financial and physical plans and their performance during the entire period.

Picture 2.1: Magufuli Bridge along Kilombero River



The bridge will last longer as long as it is maintained regularly. The Roads Fund will provide funds for its maintenance.

2.6 FERRIES PROJECTS

In the financial year 2015/16, a total of TZS 5,353.9 million was allocated to implement the following activities:

- (i) Procurement of new ferry for Pangani crossing;
- (ii) Construction of three (3) jetties at Jangwani Beach, Ununio and Bagamoyo;
- (iii) Rehabilitation of ferries; and
- (iv) Monitoring and evaluation of ferry projects.

As of 30th June 2016 cumulative funds released was TZS 3,760.1 million and the same amount was spent. Table 2.3 shows in detail projects financial and physical plans and its performance during the entire period.

Picture 2.2: MV KAZI which operates between Magogoni and Kigamboni DSM



The ferry will be maintained by Roads Fund

2.7 ROADS RELATED ADMINISTRATIVE ACTIVITIES

A total of TZS 3,106.3 million was allocated to facilitate implementation of roads related Administrative Activities such as:

- (i) Sectoral Statistics Book for 2015 was prepared and 50 copies were published;
- (ii) Participation in the East Africa Community meeting of the Sectoral Council of Transport, Communication and Meteorology (TCM);
- (iii) Preparation of Annual Plan and Budget for FY 2016/17 and presentation to the Parliament;
- (iv) Responding to Audit Queries for FY 2014/15 raised by Controller and Auditor General (CAG) Offices and Action Plan to implement the CAG recommendations prepared;
- (v) Preparation of Annual Report for FY 2015/16 and submitted to Roads Fund Board for discussion; and
- (vi) **Preparation of tender documents and contract for construction of the Ministry's building.**

Up to 30th June, 2016 total released was TZS 4,106.3 million while expenditure was TZS 2,126.3 million equivalent to 51.7% of funds release. Table 2.4 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 1,829.2 million. The planned activities included:

- (i) Installation of weigh in motion weighbridge at Mikese Station;
- (ii) Purchase and installation of prototype speed surveillance cameras along Morogoro road;
- (iii) Procurement and installation of six CCTV Cameras to weighbridge stations, namely Mikese (2), Nala (1), Njuki (1), Himo (2);
- (iv) Construction of prototype resting station;
- (v) Support to environmental management project in the road sector;
- (vi) Conducting road safety awareness campaigns;
- (vii) Purchase and installation of prototype pedestrian crossing safety radar; and
- (viii) Skill development on road safety profession; and
- (ix) Monitoring and evaluation of road and vehicle safety.

During the period under review, a total of TZS 1,482.9 million was released for implementation of various roads safety and environment activities. The total expenditure was TZS 774.6 million which was 52.2% of the released funds. Table 2.5 shows summary of physical and financial performance.

Picture 2.3: Furahisha Bridge in Mwanza City Council



The bridge was constructed using Roads Fund and will be maintained using the same source of fund

2.9 IMPLEMENTATION CHALLENGES

In the FY 2015/16, the main challenges faced by the Ministry was as follows:

- (i) Delays in procurement of contractors for execution of regional roads works; and
- (ii) Adverse weather caused by abnormal long rains in various regions which had an impact in implementation of the roads projects.

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

Table 2.1: Trunk Roads Projects Funded from Roads Fund Budget for FY 2015/16

S/N	PROJECT NAME	PHYSICAL		FINANCIAL (TZS MILL)		
		ANNUAL PLAN	ANNUAL ACHIEVEMENT	BUDGET	RELEASES	EXPENDITURE
1.	Kyaka - Bugene - Kasulo (BENACO) - (FS & DD)	Completion of final Design Report	Completed	433.00	254.66	164.39
2.	Review and Preparation of Standards and Specifications	Completion of specifications	Under implementation	230.00	176.44	-
3.	Handeni-Kiberashi- Kijungu - Kibaya - Njoro - Olboloti - Mrijo Chini - Dalai - Bicha - Chambalo - Chemba - Kwa Mtoro - Singida (FS & DD)	Completion of final Design Report	Completed	109.20	76.46	235.71
4.	Musoma-Makojo-Busekela Road(FS&DD)	Completion of final Design Report	Completed	84.00	58.81	-
5.	Compensation for TAZARA Flyover and Ubungo Interchange	Completion of Compensation	Not implemented	336.00	235.26	15.50
6.	Kolandoto - Lalago - Mwanhuzi - Mwanhuzi - Matala - Oldeani Junction (FS & DD)	Completion of final Design Report	Completed	840.00	588.14	614.16
7.	Central Materials Laboratory (CML) - Enhancement of Testing of Construction Materials - Purchase of Testing Equipment	Completion of Procurement process	Completed	800.00	588.14	357.82
8.	Monitoring of Roads and Bridge Projects, Maintenance of Supervision Vehicles, fuel and Other Roads Related activities (MoW)	Conduct Projects Monitoring and Evaluation on roads and bridges	Completed	808.00	955.13	728.42
9.	Nyamirembe Port-Katoke(FS&DD)	Completion of Inception report	Completed	84.00	58.81	-
10.	Provision of Escape for Long Steep Grades and Climbing Lanes along Major Trunk Roads - FS & DD	Completion of Inception Report	Under implementation	126.00	588.14	614.16
11.	Software for Highway/Transportation Planning and Design (Incl. Training) - TANROADS	Training of 10 TANROADS staff	Completed	147.00	102.92	20.75
12.	Kigongo/ Busisi Bridge along Usagara - Geita - Buzirayombo - Kyamyorwa (424 km) (FS & DD)	Completion of Inception report	Under implementation	588.00	411.70	-
13.	Kazilambwa - Chagu (40km) (FS & DD)	Completion of final Feasibility Study report	Completed	84.00	58.81	-

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

S/N	PROJECT NAME	PHYSICAL		FINANCIAL (TZS MILL)		
		ANNUAL PLAN	ANNUAL ACHIEVEMENT	BUDGET	RELEASES	EXPENDITURE
14.	Urambo - Kaliua (33km) (FS & DD)	Completion of final Feasibility Study report	Completed	84.00	58.81	-
15.	Capacity Building in Construction Industry (including harmonisation of activities being carried out by MWTI and ATTI)	Establishment of the Institute of Construction Technology	Under implementation	420.00	294.07	-
16.	Feasibility Study of Uyole - Songwe Bypass	Completion of Inception Report	Under implementation	168.00	117.63	-
17.	Ipole - Rungwe (km 172) (FS & DD)	Completion of final Feasibility Study and Detailed Design report	Under implementation	310.00	235.26	-
	Decongestion of Urban Roads in Dar es Salaam (Upgrading)					
18.	Goba - Mbezi Mwisho (7km)	Completion of 4.16km wearing course	Under implementation	487.20	341.12	-
19.	Tangi Bovu - Goba (9 km)	Completion of 1.85km wearing course	Under implementation	588.00	411.70	-
20.	Kimara - Baruti - Msewe (2.6 km)	Completion of 2.5km wearing course	Under implementation	222.60	155.86	-
21.	Kimara - Kilungule - External (External Maji Chumvi) (3.0km)	Completion of 1.16km wearing course	Completed	289.80	202.91	-
22.	Kifuru - Kinyerezi (4.0km)	Completion to 3km wearing course	Under implementation	302.88	224.67	-
23.	Tabata dampo - Kigogo (1.6km)	Completion of 1.3km wearing course	Completed	168.00	117.63	-
24.	Detailed Design and construction of Same - Kisiwani - Mkomani road (96.7km)	Completion of Inception Report	Under implementation	756.00	529.32	450.00
	Port Roads					
25.	No. 1 Tegeta - Bagamoyo (FS & DD)	Completion of Inception Report	Under implementation	378.00	264.66	225.00
26.	No. 2 Makofia - Mlandizi (FS & DD)	Completion of Inception Report	Completed	210.00	147.03	125.00

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

S/N	PROJECT NAME	PHYSICAL		FINANCIAL (TZS MILL)		
		ANNUAL PLAN	ANNUAL ACHIEVEMENT	BUDGET	RELEASES	EXPENDITURE
27.	No.3 Mbegani - Bagamoyo (FS & DD)	Completion of Inception Report	Under implementation	84.00	58.81	-
28.	Decongestion of Urban Roads in Mwanza - Furahisha Pedestrian Bridge	Completion of works (50%)	Under implementation	1,008.00	705.77	-
29.	Advance Payments and Land Acquisition for Development Projects	Completion of Payments	Under implementation	2,588.76	2,159.54	1,000.00
	TOTAL			12,475.16	9,678.30	3,820.30

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

Table 2.2: Regional Roads Projects Funded from Roads Fund Budget for FY 2015/16

	Physical			Financial (TZS MILL)			
Project Description	Annual Target (km) / No of Brdg	Physical completion	% Completion	Budget	Releases	Expenditure	Remarks on implementation
ARUSHA REGION							
Rehab. Longido - Kitumbeine - Lengai (Kitumbeine - Lengai Sect.)	0	0	0%	134.4	92.85	44.58	Completed
Rehab. KIA - Majengo along KIA - Mererani road	5.7	0	0%	210	138.1	64.14	Under Implementation
Rehab. Tengeru jct - Cairo	3.2	0	0%	168	115.48	45	Under Implementation
Construction of Box culvert along Nelson Mandela - AIST rd (2Nos.)	1.5	0	0%	126	114.65	108.95	Under Implementation
COAST REGION							
Rehab. Kisarawe – Masaki – Msanga – Chole – Vikumburu Road	1.4	1.1	77%	126	83.75	115.21	Under Implementation
Rehab. Kiparang'anda – Nyamalile – Kibululu Road (6km)	0.7	0.6	0%	67.2	47.19	61.85	Under Implementation
Rehab. Kisarawe – Maneromango Mlandizi	0	0	0%	218.4	143.63	49.89	Under Implementation
Upgrading of TAMCO – Vikawe – Mapinga (24km)	0.5	0.1	22%	168	113.7	63.68	Under Implementation
Rehab of Ikwiri – Mloka – Vikumburu	2	1.5	74%	168	113.7	77.76	Under Implementation
Rehab. Utete – Nyamwage (32km)	1.1	2	178%	84	55.24	56.05	Under Implementation
DAR ES SALAAM							
Rehab. Uhuru road (1km)	0.3	0	0%	1092	715.53	1178.94	Under Implementation

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

Project Description	Physical			Financial (TZS MILL)			Remarks on implementation
	Annual Target (km) / No of Brdg	Physical completion	% Completion	Budget	Releases	Expenditure	
Upgrading of Chanika – Mbande road	0.2	0	0%	210	136.66	295.99	Under Implementation
Upgrading to DSD Feri – Tungi – Kibada road	0.2	0	0%	252	167.5	60	Under Implementation
Upgrading Boko – Mbweni road to DSD (6.9km)	0.4	0	0%	252	167.5	60	Under Implementation
Mission -Kijichi - Zakhem Road	0	0	0%	0	1257.47	1257.47	
DODOMA REGION							
Rehab. Izava – Dosidosi road (15km)	0.8	4	519%	168	113.7	121.65	Under Implementation
Upgrading of Mbande–Kongwa Junction–Mpwapwa(50Km) to Paved standard	0	0	0%	235.2	154.81	143.05	Under Implementation
Construction of Baura Bridge and approaches	0.6	0	0%	420	264.34	91.98	Under Implementation
Start Construction of Gulwe Bridge along Mpwapwa – Gulwe – Kibakwe – Chipogoro road	0.1	0	0%	184.8	122.63	188.59	Completed
GEITA REGION							
Rehab. Chibingo – Bukondo road 37km	2.7	2.5	94%	84	59.2	19.19	Under Implementation
Rehab. of Geita – Nkome Mchangani–13km	2.7	8	301%	84	57.16	114.07	Completed
Rehab. of Geita – Nyarugusu – Bukoli–52.85km	1	1.5	153%	84	68.94	30	Under Implementation

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

Project Description	Physical			Financial (TZS MILL)			Remarks on implementation
	Annual Target (km) / No of Brdg	Physical completion	% Completion	Budget	Releases	Expenditure	
Upgrading to DSD Mkuyuni road	0	1.8	0%	378	257.58	86.35	Under Implementation
Rehab. Muganza–Kasenda	2.2	0	0%	84	68.94	30	Under Implementation
Rehab. Kibehe–Kikumbaitale	0.5	0	0%	84	68.94	30	Under Implementation
DSD upgrading Geita township roads	0	0.7	0%	294	203.72	62.39	Under Implementation
Rehab. Bwina road	3	0.5	16%	75.6	53.28	17.27	Under Implementation
Ludeba bridge along Munekezi – Ludeba – Masonga road.	0.8	0.3	33%	84	72.97	139.4	Under Implementation
Rehab. Itare – Katende road (11km)	0.6	0	0%	50.4	37.22	13.84	Under Implementation
Rehab. Ipalamasa – Mbogwe – Masumbwe	7.6	15	197%	252	178.79	182.19	Completed
IRINGA REGION							
FS & DD Nyololo – Igowole – Kibao – Mtwango – Mgololo	30.7	0	0%	84	61.11	26.4	Not Implemented
DSD Iringa – Msembe (Kalenga jct – Ipamba Hospital)	0	0	0%	210	136.66	45.99	Under Implementation
Rehab. Nyololo – Kibao	1.3	0	0%	126	85.86	30	Under Implementation
Rehab. Ilula – Kilolo	3	7.5	254%	210	138.12	127.99	Under Implementation
KAGERA REGION							

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

Project Description	Physical			Financial (TZS MILL)			Remarks on implementation
	Annual Target (km) / No of Brdg	Physical completion	% Completion	Budget	Releases	Expenditure	
Rehab. Kajai Swamp along Katoma – Bukwali road (1.5km)	0	0	0%	168	120.48	45	Under Implementation
Rehab. Muhutwe – Kamachumu – Muleba	0.6	0	0%	420	269.65	101.98	Under Implementation
Rehab. Bugene – Kaisho – Murongo (Rwabununka Escarpment)	3.8	0.1	3%	252	171.72	60	Under Implementation
KATAVI REGION							
Rehab. Mamba – Kasansa(18Km)	1.6	4.4	267%	100.8	74.44	142.31	Under Implementation
Rehab. Mpanda – Ugalla road(74Km)	1.1	2	176%	100.8	74.44	53.38	Under Implementation
Rehab. Mnyamasi – Ugalla	1.1	0	0%	100.8	74.44	27.68	Under Implementation
Rehab. Inyonga – Majimoto (135km)	2.8	4	140%	201.6	142.08	101.2	Under Implementation
FS&DD Kibaoni – Majimoto – Kasanza – Muze – Kilyamatundu (200km)	76	0	0%	84	68.94	30	Under Implementation
Rehab. Kibo – Mwese	3.8	3.9	103%	201.6	142.08	46.05	Under Implementation
FS & DD Mpanda – Ugalla – Kaliua – Ulyankulu – Kahama (456km)	173.2	0	0%	84	68.94	30	Under Implementation
KIGOMA REGION							
Construction of Bridges along Simbo – Ilagala – Kalya	2.3	0.3	0%	336	217.06	74.89	Under Implementation
Rehab. Kakonko – Nyaronga – Ngara Border	4.6	6	132%	201.6	132.07	45.35	Under Implementation

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Project Description	Physical			Financial (TZS MILL)			Remarks on implementation
	Annual Target (km) / No of Brdg	Physical completion	% Completion	Budget	Releases	Expenditure	
DD of Lwegele bridge along Simbo – Ilagala – Kalya road	0.3	0	0%	126	93.41	39.25	Under Implementation
KILIMANJARO REGION							
Rehab of Mwembe – Myamba – Ndungu (90km)	0.2	3.1	1715%	126	83.45	172.37	Completed
Upgrading of Masama – Machame Jct	2.5	0	0%	336	220.96	76.75	Under Implementation
Upgrading of Same – Kisiwani – Mkomazi to DSD	0	0	0%	378	242.74	78.35	Under Implementation
Upgrading of Kikweni – Vuchama/Lomwe to DSD	3.9	0.2	4%	672	441.68	153.17	Under Implementation
Upgrading of Makanya – Suji road to DSD (14km)	3.8	0.2	5%	504	322.69	103.13	Under Implementation
LINDI REGION							
Rehab. Mbwenkuru – Nanjilinji – Kiranjeranje	0	0	0%	84	55.24	19.19	Under Implementation
Rehab. Nangurukuru – Liwale road	4.6	2	0%	100.8	66.29	23.03	Under Implementation
Rehab. Nachingwea – Lukuledi road	0.2	1.1	0%	84	55.24	58.46	Under Implementation
Upgrading to DSD Ruangwa township roads	0	3.3	0%	588	375.42	477.65	Under Implementation
DD Lukuledi bridge along Luchelengwa – Ndanda road	0	0	0%	50.4	36.94	13.84	Under Implementation
MANYARA REGION							
Construction of Babati – Orkesumet/Kibaya (new access road)	4.4	0	0%	252	178.79	59.19	Under Implementation

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

Project Description	Physical			Financial (TZS MILL)			Remarks on implementation
	Annual Target (km) / No of Brdg	Physical completion	% Completion	Budget	Releases	Expenditure	
Rehab Kibaya – Kibereshi road	1	0	0%	100.8	74.44	27.68	Under Implementation
Rehab. Nangwa – Gisambang – Kondoa Border.	2	0	0%	151.2	106.56	34.54	Under Implementation
Rehab Mogitu – Hydrom	3.4	0	0%	151.2	106.56	34.54	Under Implementation
Rehab. Magara Escarpment (concrete pavement)	0.7	0	0%	252	178.79	59.19	Under Implementation
MARARA REGION							
Rehab. Musoma – Makojo road	0	3	0%	126	82.86	143.97	Under Implementation
Rehab. Balili – Mgeta – Manchimweli – Rimwani road	0.1	0	0%	126	83.45	29.59	Under Implementation
Upgrading to DSD Bunda – Kisorya – Nansio road (Nansio – Kisorya sect.)	0.2	0	0%	151.2	108.57	35.51	Under Implementation
Upgrading to DSD Mika – Utegi – Shirati road	0.1	0.2	182%	252	159.58	157.57	Under Implementation
Upgrading to DSD Tarime – Nyamwaga road (Tarime – Nyamwigura Sect.) Otta Seal	0	0.3	0%	378	239.24	160.76	Under Implementation
Rehab. Makutano ya Kinesi – Kinesi	0.8	0.5	63%	50.4	49.94	60.85	Under Implementation
Rehab Nyamwigura– Gwitiryo	0.4	0.5	125%	58.8	54.26	70.75	Under Implementation
MBEYA REGION							

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

Project Description	Physical			Financial (TZS MILL)			Remarks on implementation
	Annual Target (km) / No of Brdg	Physical completion	% Completion	Budget	Releases	Expenditure	
Rehab. of Gagula – Namkukwe & Constr. of 3 No. structures	2.2	0	0%	105	76.93	50.67	Under Implementation
Rehab. Mbalizi – Shigamba – Isongole (Ibaba – Shigamba)	0	0	0%	105	71.98	28	Under Implementation
Upgrading to DSD Igawa – Rujewa – Ubaruku	0.2	0	0%	672	441.93	153.51	Under Implementation
Upgrading of Mbalizi – Makongorosi (Mbalizi – Utengule 8km)	0.3	0	0%	336	212.66	76.75	Completed.
Rehab. Ilongo – Usangu road	1.5	0	0%	134.4	88.39	51.77	Under Implementation
Raising Embakment Msangano – Tindingoma (6km section)	0	0	0%	58.8	54.26	30	Completed
MOROGORO REGION							
Rehab. Mahenge – Mwaya– Ilonga road	3.8	0	0%	84	55.24	19.19	Under Implementation
Upgrading "Mlima Simba hills" along Mahenge – Mwaya	0.4	0	0%	168	110.48	51.39	Under Implementation
Rehab Ifakara – Taweta– Madeke including crossing of Mgeta River for Mchombe/Lukolongo–Ijia	4	0	0%	378	238.31	86.35	Under Implementation
Rehab. Gairo–Nongwe (74km)	1.2	0	0%	168	110.48	38.38	Under Implementation
Upgrading of Mahenge township roads	0.5	0	0%	336	220.96	76.75	Completed

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	Physical			Financial (TZS MILL)			
Project Description	Annual Target (km) / No of Brdg	Physical completion	% Completion	Budget	Releases	Expenditure	Remarks on implementation
MTWARA REGION							
Upgrading to DSD Newala Township roads	0.4	0.3	80%	420	266.56	189.41	Under Implementation
Rehab.Tandahimba – Litehu Mkwiti Road	1	2.3	231%	126	89.94	50.19	Under Implementation
Construction of Likwamba bridge	0	0.3	0%	168	122.09	38.45	Completed
Upgrading to DSD Kinorombedo escarpment (Newala – Mwititi)	0.1	0	0%	126	89.94	29.59	Under Implementation
MWANZA REGION							
Rehab. Kabaganga Ferry – Mugogo – Nyakabanga	0	0	0%	50.4	36.94	73.54	Under Implementation
FS & DD and Rehab. Magu – Bukwimba Ngudu – Jojiro	0	0	0%	67.2	44.19	92.82	Under Implementation
Rehab. of Lumaji – Nyanshana	0	0.1	0%	84	64.93	30.8	Under Implementation
Construction of Sukuma (Simiyu II) bridge along Magu – Mahaha road	0.1	0	0%	58.8	39.81	14.48	Under Implementation
Rehab Inonelwa – Kawekamo	0.6	5.5	905%	420	255.56	115.73	Under Implementation
Rehab Mwamhaya – Itongoitale	2.3	6	262%	67.2	44.9	70.24	Under Implementation
Rehab.Nyambiti – Fulo road	0.6	0	0%	58.8	40.81	14.48	Under Implementation
Rehab. Sengerema – Kahunda (Bukokwa – Nyehunge – Kahunda)	0	5.4	0%	67.2	44.9	113.38	Under Implementation
Rehab. Managwa – Misasi – Buhingo – Ihelele	0	0.3	0%	84	55.24	40.87	Under Implementation

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Project Description	Physical			Financial (TZS MILL)			Remarks on implementation
	Annual Target (km) / No of Brdg	Physical completion	% Completion	Budget	Releases	Expenditure	
Rehab. Kayanze - Nyanguge road	0	0	0%	67.2	44.9	315.35	Under Implementation
Purchase of motor grader for Ukerewe roads	0.2	0	0%	151.2	99.43	334.54	Under Implementation
NJOMBE REGION							
Rehab. Ndulamo – Nkenja – Kitulo – Mfumbi 95km	0	0	0%	151.2	102.6	287.51	Under Implementation
Rehab Njombe – Ndulamo – Makete (109.4)	1.9	0	0%	252	174.39	329.57	Under Implementation
FS & DD of Kibena – Lupembe – Mfuji (Moro/Iringa Border) 125.2km	0	0	0%	84	68.94	30	Under Implementation
FS & DD of Njombe – Iyayi	0	0	0%	84	68.94	0	Under Implementation
Rehab of Ikonda – Lupila – Mlangali (Lupila – Mlangali)	0.8	2.5	314%	168	121.63	103.27	Under Implementation
Upgrading to DSD Ludewa township roads	3.8	0	0%	336	228.28	76.75	Under Implementation
Upgrading to DSD Igwachanya township roads	0	1	0%	294	215.47	167.16	Under Implementation
RUKWA REGION							
Rehab. Ntendo – Muze (Kizungu hill) section to DSD	0	0.2	0%	210	137.6	100.99	Not Completed
Rehab. Kasansa – Muze	1.9	4.5	243%	210	134.04	140.99	Not Completed
Rehab. Miangalua – Kipeta road (Miangalua – Chombe)	0	0.2	0%	168	115.48	62	Not Completed
Rehab. Lyazumbi – Kabwe	0.8	1.5	0%	168	120.48	65	Not Completed
Rehab. Kalambanzite–Ilemba Road	0	0.2	0%	84	64.24	50	Not Completed

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

	Physical			Financial (TZS MILL)			
Project Description	Annual Target (km) / No of Brdg	Physical completion	% Completion	Budget	Releases	Expenditure	Remarks on implementation
RUVUMA REGION							
Rehab. Azimio–Lukumbule–Tulingane (Lukumbule–Tulingane)	0	0	0%	58.8	40.81	14.48	Under Implementation
Rehab.of Lilondo Quarry Plants.	set	0	0%	42	33.06	13.2	Under Implementation
Opening up Londo – Kilosa Kwa Mpepo road Section	1.7	0	0%	84	55.24	19.19	Under Implementation
Rehab Chamani – Matuta – Mango – Kihagara road	3.8	0	0	84	55.24	19.19	Under Implementation
Upgrading to DSD Kilimo Mseto – Makambi road	0	0.5	18%	84	55.24	46.99	Under Implementation
Upgrading to Otta seal Hilly section along Mtwara Pachani – Mkongo – Sasawala – Nalasi	0	0	0%	84	55.24	19.19	Under Implementation
Design and start construction of Fundi Mbanga bridge along Tabora – Fundi Mbamga rd	0.8	0	0%	126	82.86	28.78	Under Implementation
Rehab of Kitai – Lituhi	3	0	0%	67.2	44.57	15.35	Under Implementation
Rehab. Matimira – Mkongo	1.8	0	0%	67.2	44.19	15.35	Under Implementation
Rehab. Mpitimbi – Ndongosi – Nambendo	3.4	0	0%	75.6	49.72	17.27	Under Implementation
Rehab. Mjimwema – Ngapa – Tunduru/Nachingwea Border	3	0	0%	75.6	50.07	17.76	Under Implementation
Upgrading to otta seal Unyoni – Kipapa – Chamani	0	0	0%	84	60.5	26.4	Under Implementation

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Project Description	Physical			Financial (TZS MILL)			Remarks on implementation
	Annual Target (km) / No of Brdg	Physical completion	% Completion	Budget	Releases	Expenditure	
– Mkoha (Mawono escarpment)							
Construction of Ruhuhu bridge	0.8	0	0%	1428	695.44	263.82	Under Implementation
CRRP Project (Namtumbo – Matepwende; Mletele – Matimila and Namabengo – Mbimbi roads)	0	0	0%	126	103.97	48.54	Under Implementation
SHINYANGA REGION							
FS & DD Shinyanga – Old Shinyanga road	26.6	0	0%	168	113.7	42.79	Under Implementation
Constr. Of Vented Drift along. Isagenye – Budekwa – Mabaraturu	0.8	0	0%	168	113.7	42.79	Under Implementation
Rehab. Kahama – Bulige – Mwakitolyo – Solwa	3.8	1.5	0%	126	85.86	30	Completed
Rehab. Nyandekwa – Uyogo – Mwande (Shy/Tbr border)	2	0	0%	126	85.86	30	Under Implementation
Rehab. Nyandekwa – Butigu road	3.8	0	0%	84	64.24	30	Under Implementation
SIMIYU REGION							
Rehab. Luguru – Kadoto – Malya road	4.8	0	0%	168	122.96	142.79	Under Implementation
Rehab. Maswa – Kadoto – Shishiyu – Jija – Maligisu road	2.3	0	0%	168	122.96	114.34	Under Implementation
Rehab. Mkoma – Makao road	0.8	0	0%	210	153.41	60	Under Implementation

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

Project Description	Physical			Financial (TZS MILL)			Remarks on implementation
	Annual Target (km) / No of Brdg	Physical completion	% Completion	Budget	Releases	Expenditure	
Rehab. Ngulyati – Miswaki – Ngasamo road	1	3.8	373%	126	92.91	80.8	Under Implementation
SINGIDA REGION							
Rehab. Soweto(Kiomboi) – Kisiriri – Chemchem	2.5	8.7	343%	252	161.85	59.19	Under Implementation
Rehab. Mkalama – Mwangeza – Kidarafa	2	11.3	568%	168	110.48	38.38	Under Implementation
Construction of Msosi Box culvert and approaches along Iyumbu (Tabora border) – Mgungira – Mtunduru – Magereza	1No	1	0%	294	189.91	265.35	Under Implementation
Rehab. Kizaga – Sepuka – Mlandala section	0	2.5	0%	100.8	71.38	64.54	Under Implementation
TABORA REGION							
Rehab. Tutuo – Izimbili – Usoke	2.4	0	0%	268.8	167.93	61.4	Under Implementation
Rehab. Nzega – Itobo – Bukooba	3.3	0	0%	252	165.92	64.98	Under Implementation
Rehab. Sikonge – Mibono – Kipili rd	0	0	0%	252	165.6	65	Under Implementation
TANGA REGION							
Rehab Mlalo – Mng'aro road (25km)	0.2	0.2	86%	168	113.69	42.79	Under Implementation
Rehab.Muheza – Maramba (41km)	0.7	0	0%	84	64.24	42	Under Implementation
Rehab Mbaramo – Misozwe – Maramba – Kasera road (90km)	0.8	0	0%	84	64.24	30	Under Implementation
Rehab of Magamba – Mlola	1.7	1.3	0%	210	133.9	47.99	Under Implementation

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

Project Description	Physical			Financial (TZS MILL)			Remarks on implementation
	Annual Target (km) / No of Brdg	Physical completion	% Completion	Budget	Releases	Expenditure	
Upgrading of Amani – Muheza to DSST	0.1	0	0%	84	64.24	30	Under Implementation
FS & DD of Bumbuli – Dindira – Korogwe Rd	12.7	0	0%	151.2	105.81	41.51	Under Implementation
SUB TOTAL	493.2	143.2	0%	26,787.60	19,175.08	14,133.01	
	& 18 brgs						
Monitoring of Road and Bridge Projects, Maintenance of Supervision Vehicles, Fuel and Other Roads Related Activities (MOW)		0		1008	1008	970.86	Completed
Roads Classification Activities		0		277.1076	329.89	329.89	Under Implementation
SPECIFIC ROAD RELATED PROJECTS:							
(i) Appropriate Technology Training Institute (ATTI)		0		310.8	346.35	311.69	Various labour based training and activities were conducted
(ii) Morogoro Works Training Institute (MWTI)		0		319.2	319.2	360.42	Various roads maintenance management training were conducted
(iii) Women Participation Unit (WPU)		0		100.8	100.8	79.85	Finalisation of guideline and development of database for women contractors
(iv) Tanzania Technology Transfer Centre (TANT2 Centre)		0		100.8	117.71	74.19	Various technology transfer programs were undertaken
TOTAL	493.2	143.2	29%	28,904.31	21,067.13	15,930.03	

Table 2.3: Ferries Projects and Activities Funded from Roads Fund Budget for FY 2015/16

S/N	PROJECT NAME/ACTIVITY	Physical		Financial (TZS MILL)			Remarks
		Annual Plan	Cumulative Achievement	Budget	Releases	Expenditure	
1	Procurement of new ferry for Pangani	100%	90%	1700.00	1540.93	1540.93	Completed
2	Construction of three (3) jetties at Jangwani Beach, Ununio and Bagamoyo	100%	15%	1480.41	1074.43	1074.43	Under Implementation
3	Rehabilitation of ferries	100%	80%	1006.86	834.75	834.75	Under Implementation
4	Monitoring and evaluation of ferry projects and other related activities	100%	80%	310.00	310.00	310.00	Completed

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

Table 2.4: Roads Related Administrative Activities Funded from the Roads Fund for FY 2015/16

S/N	PROJECT NAME /ACTIVITY	ANNUAL PLAN	ACHIEVEMENT	Budget (TZS MILL)	Releases (TZS MILL)	Expenditure (TZS MILL)
1	Support to Roads Monitoring and Evaluation activities, Preparation of Roads Sector Programme Indicators and Roads Sector Statistics	<ul style="list-style-type: none"> Conducts two (2) trips for monitoring and evaluation for roads, bridges and ferries Review of Road Sector Data Base Analyse, publish and disseminate 100 copies of Road Sector Statistics Book 2015 Preparation of Five Years Road Sector Development Programme (2014/15-2018/19) 	Implemented	370.00	390.00	390.00
2	Participation in East African Cooperation Road Network, SADC, COMESA-EAC-SADC Tripartite Free Trade Area and Sub-Saharan Africa Transport Policy (SSATP) and International 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, one (1) conference and forum on issues related to road sector development, and local and international training on issues related to roads	Implemented	567.00	567.00	567.00
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	Not Implemented	5.00	5.00	5.00
4	Co-ordination of Ministry's Budget and Action Plan, and Preparations of Roads Sector Concept Papers and Write-ups	Preparations of Action Plan to implement Budget for FY 2015/16; Roads Sector Concept Paper; Ministry's Budget for FY 2016/17; Review of Construction Industry Policy (2003) and Prepare Implementation Strategies; and Procurement of Heavy Duty Printer and Photocopier	Implemented		765.26	765.26

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

S/N	PROJECT /ACTIVITY NAME	ANNUAL PLAN	ACHIEVEMENT	Budget (TZS MILL)	Releases (TZS MILL)	Expenditure (TZS MILL)
5	Preparations of Responses to Audit Queries for Roads Fund Accounts; Preparation of Roads Fund Operational Plan; and Roads Fund Progress Reports	Conduct meetings on Audited and Financial Statement Reports for Roads Fund Accounts, Prepare Roads Fund Operational Plans FY 2016/17 and Roads Fund Progress Reports	Implemented	119.00	119.00	119.00
6	Contribution to Roads Associations and Participation in Roads and Transport Professional Bodies Meetings	To effect payments for Annual Membership Contribution to PIARC and facilitate Ministry's Officials to attend the Conference and Meetings	Implemented	62.00	62.00	62.00
7	Expenses for promotion and awareness activities on implementation of roads, bridges and ferries projects	To facilitate promotion and awareness activities on implementation of roads, bridges and ferries projects	Implemented	188.00	188.00	188.00
8	Establish Roads Record Management and Files Tracking System	Establish Roads Record Management and Files Tracking System	Implemented	30.00	30.00	30.00
9	Construction of MoWTC Headquarters	To prepare Contract for Construction of Ministry's Headquarters between the Ministry and TBA	Under Implementation	1,000.00	2,000.00	-
	TOTAL			3,106.26	4,106.26	2,126.26

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

Table 2.5: Road Safety and Environment Activities Funded from the Roads Fund for FY 2015/16

S/NO	Project Name	Annual Plan	Cumulative Achievements	Budget (TZS MILL)	Releases (TZS MILL)	Expenditure (TZS MILL)
1	Procure and Install Weigh in Motion weighbridge	Install weigh in motion weighbridge	Completed	210.00	210.00	321.49
2	Purchase and install prototype surveillance cameras	Installation of prototype surveillance cameras along Dar es Salaam – Morogoro road	Under Implementation	140.00	140.00	-
3	Procure and install CCTV Cameras to 6 weighbridge stations	Installation of 6 CCTV Cameras to weighbridge stations namely Mikese (2), Nala (1), Njuki (1) and Himo (2)	Under Implementation	368.96	73.24	27.48
4	Construct Prototype Resting Stations	Construction of toilets and toilets facility along the road	Under Implementation	206.00	206.00	-
5	Conduct Road Safety Awareness Campaigns	Publish Highway Code and Learners Drivers Manual	Under Implementation	50.00	50.00	
6	Purchase and Install Automated Prototype Pedestrian Crossing	Install Automated Prototype Pedestrian Crossing in Dar es Salaam Region	Under Implementation	150.00	150.00	
7	Support to Environmental Management Project in the Road Sector	Support to Environmental Management Project in the Road Sector	Implemented	150.00	116.09	89.24

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

S/NO	Project Name	Annual Plan	Cumulative Achievements	Budget (TZS MILL)	Releases (TZS MILL)	Expenditure (TZS MILL)
8	Skill Development on Road Safety Profession	Participate in skill development on road safety profession	Implemented	50.00	50.00	28.70
9	Monitoring and evaluation of road vehicle safety	Conduct Monitoring and Evaluation of Road and Vehicle Safety	Implemented	211.56	211.56	200.00
10	Electronic permit system for abnormal load (E-permit)	Purchase and installation of e-permit equipment	Implemented	76.00	76.00	75.62
11	Printing Stickers	Issuing stickers to on-transit trucks and buses	Implemented	200.00	200.00	32.18
	TOTAL			1,536.52	1,482.90	774.69

AUDITORS' OPINION ON FINANCIAL STATEMENTS OF MoWTC

2.0 Audit Report on the Financial Statements

To: Permanent Secretary and Accounting Officer of Vote 98,
Ministry of Works, Transport and Communication,
7 Samora Machel Avenue,
P.O. Box 9423,
11475 DAR ES SALAAM

RE: REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION (VOTE 98) FOR FUNDS RECEIVED FROM ROADS FUND BOARD FOR THE YEAR ENDED 30TH JUNE, 2016

Introduction

I have audited the financial statements of the Ministry of Works, Transport and Communication (Vote 98) for Funds Received from Roads Fund Board which comprises of the statement of financial position as at 30 June 2016, its statement of financial performance, statement of change in equity and cash flows statement for the year then ended, Statement of comparison of budget and actual amounts and a summary of significant accounting policies and other explanatory information attached as **Annexure II** to this audit report.

Management's Responsibility for the financial statements

Management of the Ministry of Works, Transport and Communication (Vote 98) 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. Attached in **Annexure I**

Responsibility of the Controller and Auditor General

My responsibility as an auditor is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with, International Standards of Supreme Audit Institutions (ISSAIs) 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 misstatements. 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 misstatements of the financial statements, whether due to fraud or error. In making the risk assessments, I considered internal control system relevant to the 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 internal controls. The 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 Ministry of Works, Transport and Communication (Vote 98) for Funds Received from Roads Fund Board as at 30 June 2016 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 Other Legal and Regulatory Requirements Compliance with the Public Procurement Act, 2011

In view of my responsibility on the procurement legislation and taking into consideration the procurement transactions and processes I have reviewed as part of this audit, I state that, the Ministry of Works, Transport and Communication (Vote 98) procurement transactions and processes have generally complied with the requirements of the Public Procurement Act No.7 of 2011 and its underlying Regulations of 2013.

Prof. Mussa J. Assad

CONTROLLER AND AUDITOR GENERAL



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.

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION (VOTE 98)**

**STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR THE YEAR ENDED 30TH JUNE, 2016**

The former Ministry of Works was restructured and unified under the Ministry of Works, Transport and Communication (Vote 98- Works) as per Government Notice No. 144 published on 22 April 2016 which specifies the functions and responsibilities for the Government entities, business and other matters. The Government Notice issued guidance on the structure of the Government Ministries and Departments whereby some were abolished, merged and in some cases new ones were created.

In view of the above, in the financial year beginning 01 July, 2016 this Ministry will not exist under the current name. The Ministry's name was changed accordingly being the initiatives of the new Government in power to reduce the number of Ministries and reduce the Government expenditures by unifying some of the Ministries. Furthermore, the Government Budget for the vote was approved for accounting/fiscal period from 01 July 2015 to 30 June 2016. Hence the 'Votes' continued to operate in the same manner as in the approved budget for the period to 30 June 2016.

The Management of the Ministry of Works, Transport and Communication (Vote 98 - Works) is responsible for the preparation of the annual Financial Statements, which give a true and fair view of the entity's state of affairs and its operating results in accordance with International Public Sector Accounting Standards (IPSAS) on Accrual Basis, in conformity with the provision of Section 25 (2) & (4) of Public Finance Act No.6 of 2001 (as revised in 2004). This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the financial statements that are free from material misstatement, whether on account of fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances which provide reasonable assurance that the transactions recorded are within statutory authority, and properly recorded the use of all public financial resources accordingly.

To the best of our knowledge, the system of internal control has operated adequately throughout the reporting period and that the records and underlying accounts provide a reasonable basis for the preparation of the financial statements for the year ended 30th June, 2016. Procurement of goods, works and consultancy and non-consultancy services to the extent that they are reflected in these financial statements have been done in accordance with the Public Procurement Act No. 9 of 2011 and its Regulations of 2013.

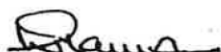
**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION (VOTE 98)**

**STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR THE YEAR ENDED 30TH JUNE, 2016 (continued)**

The Ministry of Works, Transport and Communication (Vote 98) is therefore a going concern under the new Ministry stated effectively from 01 July 2016. Moreover, the Accounting Officer who was present during the execution of this Budget as passed by the Parliament has been changed which leads these financial statements to be signed by the Accounting Officer who resumed the office.

As the current year financial statements have been prepared based on the votes as they were in the previous year, the comparability of the financial statistics has not been affected.

The Management is taking all responsibility by building confidence to users of these financial statements that they portray the true and fair view of the state of affairs of the reporting entity.



.....
Eng. Joseph M. Nyamhanga
Accounting Officer

29/09/2016

.....
Date

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION (VOTE 98)**

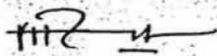
**STATEMENT OF DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTS
UNIT OF THE MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION
(VOTE 98 - WORKS) FOR THE YEAR ENDED 30TH JUNE, 2016**

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

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

I Project R.K Pastory the Chief Accountant being the Head of Finance and Accounts Unit of the Ministry of Works, Transport and Communication (Vote 98-Works) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June, 2016 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of the Ministry of Works, Transport and Communication (Works) as on that date and that they have been prepared based on properly maintained financial records.



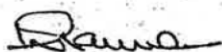
29th September, 2016

**Project R.K. Pastory- ACPA 1908
CHIEF ACCOUNTANT**

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION (VOTE 98)

STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 30 JUNE, 2016

		2015/16 Tzs (Million)	2014/15 Tzs (million)
RECEIPTS	NOTE		
Receipts from Road Fund	13b	37,315.16	21,476.51
Receipt for 2014/2015		6,425.78	5,581.11
TOTAL RECEIPTS	13a	43,740.94	27,057.62
PAYMENTS			
Employee Benefits	14	778.51	2,779.16
Supplies and consumable goods	15	981.59	622.22
Current transfer and subsidies	16	35,354.90	21,635.70
other payments	17	-	-
Monitoring and other related activities	18	2,349.46	2,049.80
Purchase /Construction of Non current Assets		221.49	68.94
Total payments		39,685.95	27,155.20
Increase and(decrease)in cash		4,054.99	1135.68
Cash in the beginning of the year		1,135.68	1,233.88
Cash in the end of the year		5,190.67	1,135.68



Eng. Joseph M. Nyamhanga
Accounting Officer

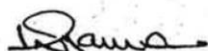
29/09/2016

Date

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION (VOTE 98)

STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 30 JUNE, 2016

		2015/16 Tzs (Million)	2014/15 Tzs (million)
RECEIPTS	NOTE		
Receipts from Road Fund	13b	37,315.16	21,476.51
Receipt for 2014/2015		6,425.78	5,581.11
TOTAL RECEIPTS	13a	43,740.94	27,057.62
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Eng. Joseph M. Nyamhanga
Accounting Officer

29/09/2016

Date

PART THREE: PERFORMANCE REVIEW OF PORALG

3.1 INTRODUCTION

This part presents status of performance of the activities that were planned to be undertaken by PORALG in respect to road maintenance programmes during FY 2015/16 as agreed upon in the Performance Agreement that was signed between the Board and PORALG.

The amount of funds allocated to PORALG is determined by existing allocation formula which stipulates that 30% of the total road maintenance funds received by the Fund be disbursed to PORALG.

The PORALG 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 3.1. Out of 108,946.19 km, 52,241km are classified roads and 56,705km are unclassified.

Table 3.1: Local Government Road Network and Road Condition (Km)

Surface Type	Good	Fair	Poor	Total	%
Paved	901.23	256.687	167.578	1,325.49	1.22%
Gravel	9,307.54	8,481.83	4,299.42	22,088.79	20.27%
Earth	14,319.75	28,531.41	42,680.74	85,531.91	78.51%
Total	24,528.52	37,269.93	47,147.74	108,946.19	100.00%
%	22.51%	34.21%	43.28%	100.00%	

Source: PORALG

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 PORALG for the period under review was TZS 216,513.43 million which was to cover the costs for maintenance of District, Urban and Feeder Roads under Local Government Authorities as shown in Table 3.2.

Out of the annual budget of TZS 216,513.43 million, TZS 167,892.16 million equivalent to 76.8 % of annual budget was disbursed to the PORALG for the period ending on 30th June 2016. The **LGA's applied these funds for roads and bridges** maintenance works as well as supervision activities for road maintenance.

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

Table 3.2: Physical and Financial Performance – District, Feeder and Urban roads

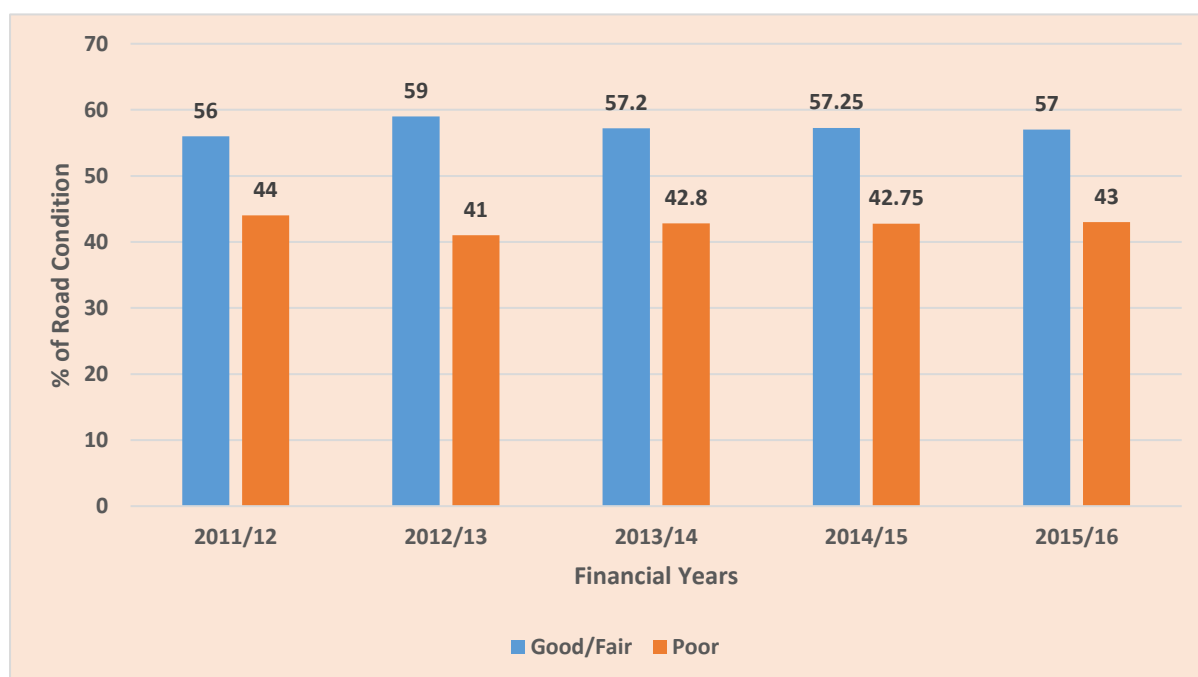
S/N	ACTIVITY	Planned Scope		Actual Performance	
		Physical (Km)	Financial (TZS MILL)	Physical (Km)	Financial (TZS MILL)
1	Routine maintenance	14,117.84	18,506.28	4,842.95	2,784.70
2	Spot improvement	3,657.24	14,682.29	1,016.69	2,007.24
3	Periodic maintenance	2,643.91	58,910.30	1,257.05	4,612.59
4	Cross drainage structures		16,809.66		1,703.76
5	Supervision of Councils and Road inventory & condition survey		6,725.95		2,696.82
6	Funds to cover FY 2014/15 budget deficit		62,398.12		45,826.16
7	Monitoring PORALG		1,246.52		914.3
	Monitoring RS Engineer		1,057.52		589.19
8	Administration		831.02		795.37
9	Development Works		15,306.77	5.33Km & 11Lines	1,679.80
10	Emergency Works		7,814.24		1,355.48
11	Capacity Building		2,577.54		2,577.54
12	Funds to cover FY 2012/13 budget deficit		7,269.22		7,269.22
13	Purchase of lab equipment		1,260.00		
14	Operations of road research centre		798		
15	Purchase of mobile weighbridges		320		
TOTAL		20,418.99	216,513.43	7,122.02 Km & 11Lines	74,812.17
% achievement			35%		35%

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 57% were in good/fair condition and 43% were poor. The trend of the network condition in the last five years is shown in Figure 3.1

Figure 3.1: Trend of Road Condition for District, Feeder and Urban Roads



Source: RFB & PORALG

3.4 PHYSICAL AND FINANCIAL PERFORMANCE

In the financial year 2015/16, PORALG 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 20,418.99 km of district, urban and feeder roads at a cost of TZS 115,633.48 million, sourced from the Roads Fund.

The physical performance in terms of roads maintenance (periodic, routine and spot improvement) was 7,116.69 km equivalent to 34.9% of the planned 20,418.99 km.

3.4.1 Periodic Maintenance

Up to 30th June 2016, a total of 1,257.06 km equivalent to 48% of planned target of 2,634.91 km received periodic maintenance. The corresponding cost of the maintenance was TZS 4,612.59 million equivalent to 8% of the planned annual expenditure of TZS 58,910.30 million.

3.4.2 Spot Improvement

Spot improvement works were carried out on 1,016.69 km, out of the planned 3,657.24 km which is equivalent to 28% of the annual planned coverage. The total

expenditure was TZS 2,007.24 million which is equivalent to 14% of the annual planned expenditures of TZS 14,682.29 million.

3.4.3 Routine Maintenance

Routine and recurrent maintenance were carried out on a network of 4,842.95 km which is 34% of 14,117.84 km of the annual planned coverage. The total expenditure was TZS 2,784.70 million, being 15% of the annual budget of TZS 18,506.28 million.

Picture 3.1: Labour Based Routine Maintenance Works



Labour Based Routine Maintenance Works along Luale - Kododo Road in Mvomero District Council

3.4.4 Bridges/Culverts

The amount of TZS 1,703.76 million was spent for preventive maintenance of bridges and maintenance of culverts. This amount is equivalent to 10% of the planned annual expenditure of TZS 16,809.66 million.

3.5 ABSORPTION CAPACITY OF LOCAL AUTHORITIES

During the reporting period, out of TZS 167,892.16 million were disbursed to PMORALG. A total of TZS 74,812.17 million, equal to 45% of the released amount, was spent for road maintenance works and related activities; leaving a total of TZS 93,079.99 million equivalent to 55% as rollover funds to next financial year of 2016/17. Moreover, LGAs had rollover funds from FY 2014/15 amounting to TZS 13,424.52 million hence making a total rollover to FY 2016/17 to be equal to TZS 106,504.51 million.

This analysis suggests that the absorption capacity of some Local Government Authorities is relatively low and therefore needs to be addressed by strengthening its capacity to utilise funds.

3.6 ROAD DEVELOPMENT PROJECTS

The budget of TZS 16,649.89 million was allocated for development projects for FY 2015/16. Up to 30th June 2016, a total of TZS 7,360.68 million was disbursed whereas TZS 1,679.8 million was utilized, equivalent to 22.8 % 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 leads to delay in project implementation. The list of projects and status are shown in Table 3.3.

Table 3.3: Project implementation for FY 2015/16

COUNCIL	PROJECT	Planned Activity		Funds Released (TZS MILL)	Actual Implementation		Remarks
		Budget (TZS MILL)	Physical		Physical	Financial (TZS MILL)	
Kilosa DC	Upgrading of Kilosa Town Roads to Paved Standard	840,000.00	4.2km	400,000.00	-	-	Under Implementation
Siha DC	Rehabilitation of Mwalanaeli - Kyengia	100,596.89	2.94km	35,927.46	-	-	Under Implementation
Geita TC	Rehabilitation of Kambarage Road and construction of 12 culverts	105,496.02	4.2km	37,677.15	11 Lines	22,840.15	Under Implementation
Mlele DC	Rehabilitation of Mlele Town Roads to DSD	294,000.00	0.84km	105,000.00	-	-	Under Implementation
Liwale DC	Construction of bridge at Mbwenkulu river along Liwale - Ruangwa Road	467,292.84	1No	166,890.30	-	-	Under Implementation
Arusha DC	Upgrading of Tribunal Road (LakiLaki Area) to DSD	504,000.00	1.26km	180,000.00	-	-	Under Implementation
Kinondoni DC	Rehabilitation of Msasani I-II to paved standard	1,512,000.00	1.09km	540,000.00	-	-	Under Implementation
Ilala MC	Upgrading of Pugu – Kajiungeni road to paved standard	1,288,946.90	1.93km	460,338.18	-	-	Under Implementation
Njombe DC	Rehabilitation of Lole - Maduma	514,254.30	11.76km	183,662.25	-	-	Under Implementation
Kisarawe DC	Construction of Box Culvert along Zegero - Kibaoni 7KM	101,031.00	1No	86,082.50	-	-	Under Implementation

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

COUNCIL	PROJECT	Planned Activity		Funds Released (TZS MILL)	Actual Implementation		Remarks
		Budget (TZS MILL)	Physical		Physical	Financial (TZS MILL)	
Kongwa DC	Construction of Mkutani Bridge	294,000.00	1No	105,000.00	-	-	Under Implementation
Songea MC	Rehabilitation of Mateka road using cobble stone	420,000.00	0.84km	150,000.00	-	-	Under Implementation
Arusha CC	Rehabilitation of ESSO-Police road to Asphalt Concrete Standard	336,000.00	0.84km	120,000.00	-	-	Under Implementation
Mbeya DC	Upgrading of Mbalizi Town Roads to Paved Standard and drainage construction works	500,398.25	0.84km	178,713.66	-	-	Under Implementation
Nyasa DC	Upgrading of Nyasa Town Roads to DSD	294,000.00	0.84km	105,000.00	-	-	Under Implementation
Mtwara DC	Upgrading of Nanyamba Town Roads to Paved Standard	294,000.00	0.84km	105,000.00	0.30km	-	Under Implementation
Chato DC	Upgrading PCCB road to DSD	302,400.00	0.76km	188,000.00	-	-	Under Implementation
Mwanza CC	Upgrading of Roman Catholic Church Road to Cobble Stone Standard Road	336,000.00	0.84km	150,000.00	-	-	Under Implementation
Kilolo DC	Upgrading of Kilolo Town Roads to DSD	399,907.20	1.18km	142,824.00	0.41km	-	Under Implementation
Kyela DC	Completion of Ngamanga -Lusungo – Matema& Box Culverts	722,400.00	13.44km	258,000.00	-	-	Under Implementation
	Construction of Mbala Bridge	1,008,000.00	1No	360,000.00	-	-	Under Implementation

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

COUNCIL	PROJECT	Planned Activity		Funds Released (TZS MILL)	Actual Implementation		Remarks
		Budget (TZS MILL)	Physical		Physical	Financial (TZS MILL)	
Mbarali DC	Construction of W/Mahango Bridge	58,800.00	1No	21,000.00	-	26,682.60	Under Implementation
	Bridge works at Chimala Town	90,720.00	2Nos	32,400.00	-	-	Under Implementation
Bunda DC	Rehabilitation of Marembeka - Bigegu road	86,171.40	5.46km	30,775.50	-	-	Under Implementation
Iringa DC	Rehabilitation of Itunundu -Magereza and box culverts	668,022.60	10.08km	238,579.50	-	-	Under Implementation
Bahi DC	Upgrading of Bahi Town Roads to Paved Standard	471,941.40	1.26km	168,550.50	0.20km	-	Under Implementation
Babati TC	Construction of Two Box Culverts along Bonga -Endanachan - Riroda Road	483,000.00	2No	172,500.00	-	-	Under Implementation
Makambako TC	Upgrading of Makambako Town Roads to DSD	294,000.00	0.84km	105,000.00	-	-	Under Implementation
Dodoma MC	Upgrading of Mlimwa Ring Road to DSD	672,000.00	1.68km	330,000.00	-	-	Under Implementation
Sengerema DC	Upgrading of Sengerema Town Roads to DSD	294,000.00	0.84km	105,000.00	-	-	Under Implementation
Mbeya CC	Upgrading of block T road	756,000.00	1.26km	270,000.00	0.419KM	130,280.00	Under Implementation
Arusha DC	Upgrading of Sanawari -Oldonyosambu to DSD	336,000.00	0.84km	120,000.00	-	-	Under Implementation
Babati DC	Rehabilitation of Riroda -Didas & 3 box culverts	304,516.80	6.72km	208,756.00	4.0KM	-	Under Implementation

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

COUNCIL	PROJECT	Planned Activity		Funds Released (TZS MILL)	Actual Implementation		Remarks
		Budget (TZS MILL)	Physical		Physical	Financial (TZS MILL)	
PO-RALG	Consultancy Services for Phase ii & iii Bottlenecks Design	1,500,000.00	Service	1,500,000.00		1,500,000.00	Completed
	Total	16,649,895.60	77.62 Km & 9 Bridges	7,360,677.00	5.329KM & 11 Lines	1,679,802.75	

3.7 EMERGENCY WORKS

During the FY under review, TZS 7,814.24 million was set aside for emergency works whereas, up to 30th June 2016, a total actual amount spent was TZS 1,355.48 million, equivalent to 17.34% of the budget for emergency funds, which was **a reflection of LGA's** low absorption capacity. The list of emergency works carried in FY 2015/16 are shown in Table 3.4.

Table 3.4: List of emergency works carried in FY 2015/16

S/N	RECIPIENT	EMERGENCY ACTIVITY	CONTRACT AMOUNT (TZS)	PHYSICAL PROGRESS	FINANCIAL PROGRESS (TZS)	REMARKS
1	Mwanza CC	Emergency works along Nyegezi-SAUT-Luchebele, Nyakato - Isegenghe, Mwananchi Bridge (Nyakato-Mahina Kati), Nyakato - Mkuyuni	284,633,390.00		275,567,906.20	Completed
2	Ilemela MC	Emergency works along Ibinza, Ziwani - Kirumba, Kabuhoro - Ziwani, UWT - Njia Panda, Jeshini- Kirumba, bwiru Boys, Vuka road, Kiseke - Buyombe, Sabasaba - Kiseke - Buswelu & Vijana road	440,882,365.93	19.20km	179,033,000.00	Under Implementation
3	Malinyi DC	Emergency works along Malinyi Mjini, Tanga - Biro & Usangule - Likeya	281,249,080.00	12km	36,530,000.00	Under Implementation
4	Iringa DC	Emergency works along Isimani - Pawaga road	284,343,500.00	6km	159,204,935.00	Under Implementation
		Emergency works along Kimande - Kinyika road	350,865,000.00	7km	146,954,250.00	Under Implementation
		Emergency works along Tungamalenga - Mahuninga road	305,440,000.00	4km & 1 Drift	132,892,200.00	Under Implementation
5	Mkalama DC	Repair 2 bridges at Iguguno-Lyelembo - Msingi road and repair 1 drift at Nkalakala-Malaja-Kidarafa road	36,567,000.00	1 No	36,075,000.00	Completed
		Construction of Bridges along Kikhonda - Kinampundu	122,189,000.00	1 No	-	Under Implementation
		Construction of Bridges along Mwangeza road	122,189,000.00	1 No	-	Under Implementation
6	Rungwe DC	Emergency works along Bagamoyo - Kapugi road	142,425,000.00	7.5km	-	Under Implementation

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

S/N	RECIPIENT	EMERGENCY ACTIVITY	CONTRACT AMOUNT (TZS)	PHYSICAL PROGRESS	FINANCIAL PROGRESS (TZS)	REMARKS
		Construction of Bridges along Kawatele (Mwosya river) & Bridge along Mambwe river	71,959,400.00	2 Nos	-	Under Implementation
7	Mlele DC	Construction of Box Culvert along Mlele - Ihunde road	83,517,940.00	1 No	66,346,000.000	Under Implementation
8	Hanang' DC	Emergency works along GETASAM - MTO BUBU road	459,610,000.00	6km	-	Under Implementation
9	Misungwi DC	Emergency works of Isenengeja bridge along Ilujamate - Mwawile road	167,290,000.00	1 No	-	Under Implementation
10	Kishapu DC	Emergency works of bridge along Itilima - Ikoma road	94,651,400.00	1 No	-	Under Implementation
		Emergency works along Mhunze - Igaga - Mwamashele	90,000,000.00	5.5km	27,766,000.00	Under Implementation
11	Magu DC	Emergency works along Mgahaya - Bugatu road	153,505,500.00	10.8km	-	Under Implementation
		Emergency works along Magu Town roads	159,329,000.00	23km	-	Under Implementation
12	Muheza DC	Emergency works along Kibaoni (Amani) - Bulwa road	82,246,000.00	6km & 1No	-	Under Implementation
		Emergency works along Mkuzi - Mindu road	51,389,000.00	15km	-	Under Implementation
13	Nanyumbu DC	Emergency works along Ngupe - Chitowe & Sengenya - Masyalele road	17,968,000.00	2 Nos	-	Under Implementation
14	Wangingo'mbe DC	Emergency works of Igenge Bridge	250,000,000.00	1 No	-	Under Implementation
15	Masasi DC	Emergency works of Nanjota Bridge	160,000,000.00	1 No	16,920,000.00	Under Implementation
16	Mpwapwa DC	Emergency works along Lumuma - Mbuga road	640,000,000.00	23km	-	Under Implementation

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

S/N	RECIPIENT	EMERGENCY ACTIVITY	CONTRACT AMOUNT (TZS)	PHYSICAL PROGRESS	FINANCIAL PROGRESS (TZS)	REMARKS
17	Namtumbo DC	Emergency works along Masuguru - Mtambila, Mulilayoyo - Mahiya - Minazini - Mkombozi, Chengela- Kilangalanga & Ligano - Mkongo road	250,000,000.00		-	Under Implementation
18	Kondoa DC	Emergency works along Gubali - Haubi - Ntomoko road	900,000,000.00	15km	-	Under Implementation
19	Kilolo DC	Emergency works along Masukanzi - Image 1 - Igingilanyi - Ng'osi - Image 7 road	498,314,000.00	18.6km	173,724,485.00	Under Implementation
20	Kinondoni MC	Emergency works of Municipal roads	500,000,000.00		-	Under Implementation
21	Ilala MC	Emergency works of Municipal roads	500,000,000.00		-	Under Implementation
22	Temeke MC	Emergency works of Municipal roads; Routine maintenance at Dr Omary 4km, Temeke - Mbagala 3.5km, Mgulani 1.5km, Chang'ombe 3km, Mbozi 2.1km, Taifa 1.5km, Mandela - Wailes 2km, Kurasini 2km,Mision - Kijichi-Zakhem 6.5km, Kichangani 3km,Mwembe Madafu 2km, Mahunda 2.8km, Yombo 1.5km, Veternary 2km,Hospitali 0.5km, Stereo roads 3km, Copper road, Evareth 0.8km, Bububu/Ruvuma 1km and Saza 1.5km	300,000,000.00	34.50	104,466,000.00	Under Implementation
Total			7,800,563,575.93	159.40km, 13 Bridges & 1 Drift	1,355,479,776.20	

3.8 ADMINISTRATION, MONITORING AND INSPECTION

As of 30th June 2016, a total of TZS 831.02 million was disbursed to PORALG during the year to cover vehicle operation costs, maintenance and other related overheads. The actual amount spent was TZS 795.37 million. Similarly a total of TZS 1390.05 million and TZS 755.37 million were disbursed to PORALG and Regional Secretariat (RAS) respectively for monitoring and inspection. The actual expenditure was TZS 914.81 million, equivalent to 66% and TZS 589.19 million equivalent to 78% for PORALG and RAS engineers respectively.

3.9 OTHER PROGRAMMES

3.9.1 African Community Access Programme (AFCAP)

PORALG continued to cooperate with AFCAP in areas of rural roads network through agreed areas which include preparation of manual for Provision of Low Volume Roads in which the document was at a launching stage. Three concept were prepared and submitted to AFCAP regional manager for approval. The submitted concept notes include: National material aggregates data base, monitoring of trial sections and Building capacity to research Centre (Laboratory part). Two concept notes were at the stage of procurement of services providers. One Terms of Reference was prepared and reviewed by PORALG for Building Capacity to research Centres and waiting for service providers to start implementation.

3.9.2 Improving Rural Access in Tanzania (IRAT)

Through assistance from United Kingdom, Department for International Development (DFID) Phase II, PORALG implemented projects in 11 LGAs of Babati DC, Bahi DC, Dodoma MC, Gairo DC, Hai DC, Iringa MC, Kilombero Dc, Kyerwa DC, Siha DC, **Tunduru DC and Wanging'ombe DC**. Up to 30th June 2016, TZS 11,096.65 million out of received funds TZS 26,334.87million was utilised and implementation was at different stages. Full time Technical Assistance was in place whereby, various activities were in progress including implementation of DROMAS. The capacity building to technical staff from LGAs in ten regions of Morogoro, Dodoma, Iringa, Njombe, Ruvuma, Singida, Manyara, Kilimanjaro, Arusha, Mbeya, Rukwa, Katavi, Kigoma, Simiyu, Geita, Mara, Mwanza Kagera and Mtwara were done. There was an ongoing training in Shinyanga region, and the plan behind this, was to complete training in all the remaining regions by November 2016. The implementation of IRAT Phase II Projects is summarized in Table 3.5 below:

Table 3.5: IRAT PHASE II - Progress Report as by 30th June 2016

LGA	Road Name	Physical Progress		Financial Implementation			Remarks
		Planned Works	Actual	Budget (TZS)	Received (TZS)	Spent (TZS)	
Iringa MC	Iringa - Kilolo	Construction of Tagamenda Bridge and approach roads 400m	0	4,573,360,077.61	4,573,360,077.61	1,399,937,280.58	Under Implementation
Tunduru DC	Ngapa - Mkowela	Construction of 2 Box Culverts	1 culvert	719,111,767.75	1,771,769,239.00	0	Under Implementation
Tunduru DC	Matemanga - Jaribuni - Jakika - Kindamba Roa	Construction of 5 Box Culverts	3 box culvert donet	1,052,657,471.25			Under Implementation
Wanging'ombe DC	Mafinga - Mwilamba	Construction of 2 Box Culvert (along Isupilo - Mwecha road, and Ilembula - Wanging'ombe road)	2 cu	579,825,671.25	1,874,738,567.00	1,745,738,630.00	Completed.
Wanging'ombe DC	Isupilo - Mwecha and Ilembula - Wanging'ombe Roads	Construction of 2 Box Culvert	2NO	664,573,142.10			
Wanging'ombe DC	Kijombe - Ukomola and Isimike - Idenyimembe Roads	Construction of 2 Box Culvert along Isimike - Idenyimembe	2NO	630,339,753.75			
Kyerwa DC	Nkwenda - Mabira	Road formation 31km, Gravelling 1.8km, 3 box culverts; 11 lines of 900mmdia and 5 lines & 14 lines of 1000mm dia.	Road formation 28km, Gravelling 1.8km, 3box culverts, 40lines of 900mm dia & lines of 1000mm dia culverts	2,632,710,647.64	2,632,710,647.64	1,770,733,086.00	Under Implementation

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

LGA	Road Name	Physical Progress		Financial Implementation			Remarks
		Planned Works	Actual	Budget (TZS)	Received (TZS)	Spent (TZS)	
Bahi DC	Mpunguzi - Mwitikira	Road construction 12.9km, 3 Box Culverts and 277m run of ring culverts of 900mm diameter	21.3km have been raised and formed, 18km gravelled, 3 box culverts constructed & 277m concrete pipe culverts.	3,396,044,953.88	3,396,044,953.88	2,663,639,153.71	Under Implementation
Babati DC	Magugu - Mapea - Kisangaji	Road Construction 0.8 km and 4 Box culvert	0.8km & 4NO	496,503,262.50	496,503,262.50	484,090,681.43	Complete
Dodoma MC	Kitelela - Mpamaa - Swaswa	Construction of one Box Culvert	1NO	714,060,176.45	714,060,176.00	465,289,332.58	Under Implementation
Gairo DC	Chagongwe - Lufikiri - Kumbulu	Road Construction 0.8 km and 4 Box culvert		2,024,774,670.19	2,024,774,670.19	192,093,152.50	Under Implementation
Hai DC	Chekimaji - Kawaya	Road construction 3KM , 3 box culvert & 70 m concrete ring culvert	4.7km ,2NO & 80 m concrete ring culvert	1,803,147,675.01	1,803,147,675.00	1,696,283,500.00	Completed.
Kilombero DC	Chita - Merela	Road construction 5.6km and 11 Box Culverts	7nos of box culverts	3,474,811,612.13	6,081,582,841.04	461,768,985.00	Under Implementation
Kilombero DC	Chita - Merela	Road construction 5.645km and 12 Box Culverts		2,606,771,228.91		0	Under Implementation
Siha DC	Kisube - Kirisha road	Construction of Bridge along Kisube - Kirisha road		966,181,216.88	966,181,216.88	217,076,200.00	Under Implementation
GRAND TOTAL				26,334,873,327	26,334,873,326	11,096,650,001	

3.9.3 Partnership for Growth (PFG)

USAID, through Feed the Future Programme, aimed at improving 1,000kms in the four LGAs (i.e. Kilombero DC, Mvomero DC, Kongwa DC and Kiteto DC). Under accelerated process, a total of 179.8km of roads were improved as a quick win projects in financial year 2015/16. The status of phase one implementation is summarized in Table 3.6 below.

Up to 30th June 2016, the total of TZS 7,845.48 million (90%) of the received funds TZS 8,740.6 million were used to produce 178.4km and the remaining payments are on-going as summarized on Table 3.6 below.

ROADS FUND BOARD – ANNUAL REPORT FOR FY 2015/16

Table 3.6: Feed the Future Projects – Progress Report for FY 2015/2016

COUNCIL	PROJECT	Budget (TZS MILL)	Planned Quantity		Actual Implementation		Remarks
			Physical (Km)	Funds released (TZS MILL)	Physical (Km)	Financial (TZS MILL)	
Kilombero District Council (Accelerated Process)	Rehabilitation of Mgudeni -Kanyenja	542,308.00	10.0	542,308.00	10.0	348,298.67	Completed
	Rehabilitation of Mpanga –Ngalimila	668,789.00	10.0	668,789.00	10.0	668,789.00	Completed
	Rehabilitation of Namawala – Mofu	1,012,797.90	17.3	1,012,797.90	17.3	1,012,797.90	Completed
Kiteto DC (Accelerated Process)	Engusero – Matui Njia Panda road	1,129,135.00	25.5	1,129,135.00	25	859,848.80	Completed
	Engusero – Orkine road	802,903.00	19.3	802,903.00	19.4	652,773.50	Completed
	Olboloti – Matui road	1,365,027.00	32.1	1,365,027.00	32.1	851,092.80	Completed
Mvomero District Council (Accelerated Process)	Wami - Dakawa - Dihombo road	806,826.10	19.4	806,826.10	18.4	646,602.52	Completed
	Langali – Nyandira road	799,240.50	5.2	799,240.50	5.2	706,370.20	Completed
Kongwa District Council (Accelerated Process)	Pandambili – Njoge road	733,667.00	15.2	733,667.00	15.2	874,233.00	Completed
	Suguta – Kibaigwa road	879,886.00	25.8	879,886.00	25.8	1,224,677.28	Completed
	TOTAL	8,740,579.50	179.8	8,740,579.50	178.4	7,845,483.67	

3.9.4 Status of the Feed the Future Projects from phase II

Phase II of the programme aimed at improving a total of 304.10km in the same LGAs of Kilombero DC, Mvomero DC, Kongwa DC and Kiteto DC. Implementation of Phase II was estimated to cost about US\$ 10 million (equivalent to TZS 22,000,000,000). Table 3.7 below shows a list of roads to be implemented under this phase.

Table 3.7: Projects implemented under USAID Programme in FY 2015/16

Council	Road Name	Target Length (Km)
KILOMBERO DC	Kalengakelu – Titu	7.0
	Ikule – Ilungusha – Mkangawalo	8.0
	Lukolongo – Ijia	5.0
	Igima – Namalumbo	3.0
	Mlimba Rd – Vigaeni P/S	3.0
	Kisawasawa – Mpanga	9.0
	Mhelule – Bwawa la Chumvi	5.0
	Mang'ula B – Msalise	6.0
	Mang'ula A – Kanyenja	7.0
KITETO DC	Orkine - Songambebe	8.2
	Nchinila – Osteti – Matui	18.0
	Namelok – Loltepes – Sunya	88.1
KONGWA DC	Mtanana – Makawa	24.8
	Ugogoni – Kibaigwa	30.0
	Njoge – Makutupa – Ngese	15.0
MVOMERO DC	Doma - Msongozi	19.0
	Msongozi – Magali – Yowe	23.0
	Lukobe – Kimambila	11.0
	Turiani – Mhonda	14.0
Budget for all the roads \$ 10,000,000		304.10

3.9.5 Rural Road Maintenance System Development Project

Rural Road Maintenance System Development (RMSD) project was implemented by PORALG with support from JICA in Chamwino DC, Kondoa DC, Iringa DC and Mufindi DC from February 2012 to March 2016. The main objective of the project was to ensure that rural roads in Tanzania are properly maintained through the application of appropriate technology and methodology. The objective was to be achieved by focusing on improving rural maintenance procedure and services.

3.9.6 Programme on Improvement of Rural Roads under EDF

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

The first component was the improvement of rural roads in four LGAs from two regions of Iringa (Iringa DC and Mufindi DC) and Ruvuma (Songea DC and Mbinga DC). Up to 30th June 2016, implementation of works was in progress at different stages.

The total of TZS 5,813.774 million was released and utilised out of the approved budget of TZS 36,747.71 million. The implementation of road works through EU Programme was mostly affected by the heavy rainfall and the status is summarized in Table 3.8 below.

Table 3.8: EU Funded Projects – Progress Report

COUNCIL	PROJECT/ACTIVITY	Project Length (Km)	Budget (Euro)	Actual Implementation		Remarks
				Physical (Km)	Financial (Euro)	
IRINGA DC	Upgrading of Kising'a – Isimani Tarafani road	34.967	5,919,667.85	0.00	1,237,947.18	Under Implementation
MUFINDI DC	Upgrading of Kitiru – Itulituli road	14.971	3,117,063.39	0.00	566,960.38	Under Implementation
SONGEA DC	Upgrading of Peramiho – Morogoro Village and Peramiho – Lundusi road	13.769	2,106,309.08	0.00	209,250.91	Under Implementation
MBINGA DC	Upgrading of Longa – Kipololo – Litoho A	13.500	2,579,398.04	0.00	256,784.80	Under Implementation
	Upgrading of Longa – Kipololo – Litoho B	11.454	2,254,826.51	0.00	256,784.80	Under Implementation
TOTAL		88.661	15,977,264.87	0.00	2,527,728.07	

The second component of the project was Technical and Managerial Capacity Building of **President's** Office – Regional Administration and Local Government (PORALG) in Tanzania – Road Sector. Up to 30th June 2016, the training on Network Planning and HDM4 under Ministry of Transport has been done to two Engineers from PORALG.

3.10 CHALLENGES OF IMPLEMENTING ROAD MAINTENANCE IN LGAS

The following were the challenges observed from Local Government Authority in implementing road maintenance, bridges and culvert activities:-

- (i) Adjustment of operational budget due to unmet budget revenue collection caused delays in procurement process of works for FY 2015/16;

- (ii) Insufficient technical and supporting staff to the newly established LGAs;
- (iii) **Lack of Quality Control equipment to most LGA's;** and
- (iv) Vandalism of road furniture e.g. road sign posts, guardrails etc.

AUDITORS' OPINION ON FINANCIAL STATEMENTS OF PORALG

3.0 AUDIT REPORT ON THE ROADS FUND ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30th JUNE 2016

The Roads Fund Manager,
Roads Fund Board,
Njedengwa Investment area,
P.O. Box 993,
DODOMA

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE ROADS FUND ACTIVITIES FOR THE PERIOD ENDED 30TH JUNE, 2016

I have audited the financial statements of the Roads Fund's activities for the year ended 30th June, 2016.

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, Sect. 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, Sect. 44(2) of the Public Procurement Act No.21 of 2004 and Reg. 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.

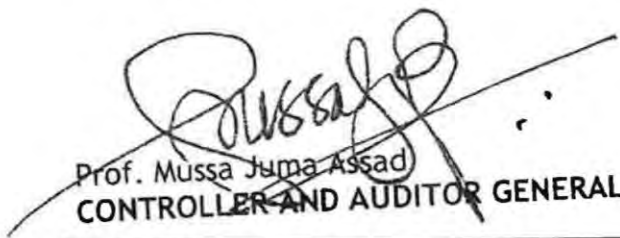
Audit Opinion

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 30th June 2016 have been issued with the following audit opinions:-

S/No.	Type of opinion	Number of Councils	%
1.	Unqualified	153	92
2.	Qualified	12	7
3.	Adverse	1	1
	Total	166	100

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 Juma Assad
CONTROLLER AND AUDITOR GENERAL

The National Audit Office,
DAR ES SALAAM.



June, 2017

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

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

Joseph O. Haule,
 Chairman - Roads Fund Board,
 Njedengwa Investment Area,
 P.O. Box 993,
DODOMA

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

PART FOUR: PERFORMANCE OF TANROADS

4.1 INTRODUCTION

This part presents status of performance of the activities that were implemented by TANROADS during FY 2015/16. 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 operations.

4.2 THE MAINTENANCE BUDGET

During the period under review, TANROADS was allocated with a budget of TZS 454,675.71 million. The breakdown of this budget is shown in the Table.4.1 below.

Table 4.1: Maintenance Budget

BUDGET COMPONENTS	AMOUNT (TZS MILL)	PERCENTAGE (%)
Trunk Roads	118,219.070	26.00
Regional Road	224,067.600	49.28
Emergency Works	3,418.557	0.75
Urgent Work	5,455.192	1.20
Outstanding work of damage roads due to rains	-	
Outstanding works Commitments from previous years	24,109.768	5.30
PMMR Projects Phase Two	1,500.000	0.33
Weighbridge Maintenance & Improvements	17,976.664	3.95
HQ Based Activities	6,566.859	1.44
<i>Total Woks</i>	401,313.710	88.26
<i>Non- Works Components</i>		
Administration Costs	18,000.000	3.96
Supervision Costs	19,550.000	4.30
Weighbridge Operation Costs	15,812.000	3.48
<i>Total Non- works</i>	53,362.000	11.74
TOTAL ROADS FUND	454,675.710	100.00

Source: TANROADS & RFB

4.3 ROAD NETWORK

TANROADS maintains the national road network which by 30th June 2016 was 35,000 km comprising of 12,786km of trunk roads and 22,214km of regional road and its status of pavement type is as analysed in Table 4.2 below.

Table 4.2: Roads Lengths June 2016 (Km)

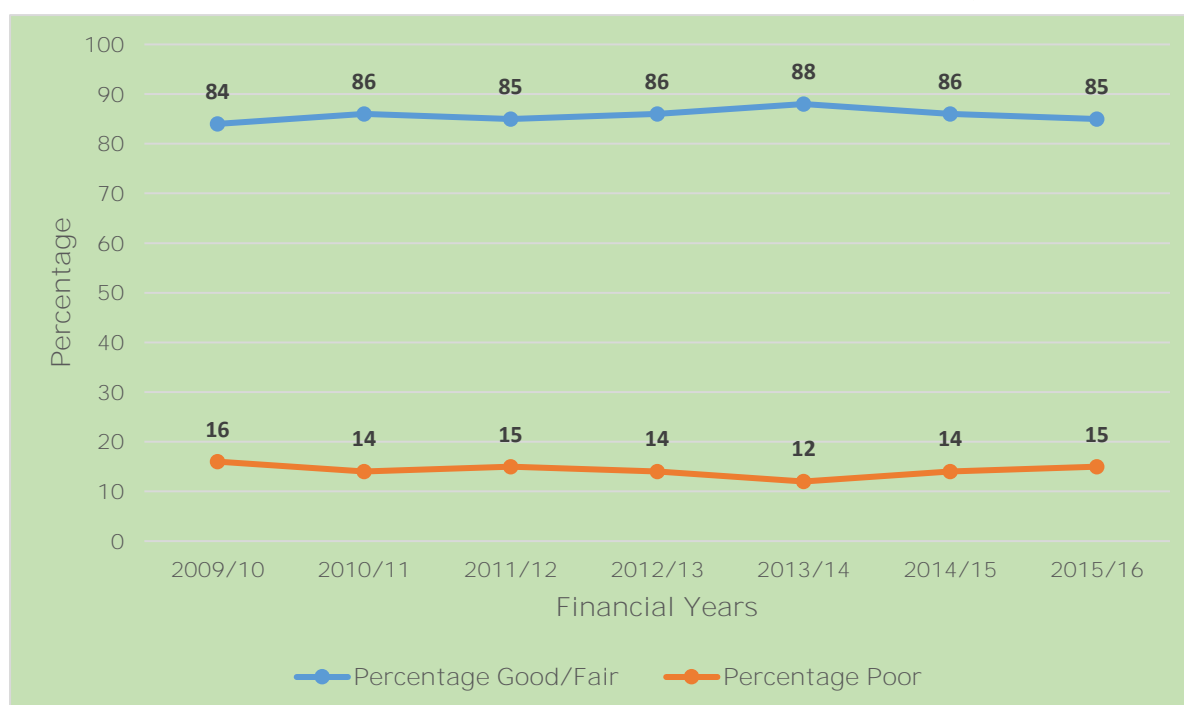
Pavement Type	Trunk	Regional	Total
Paved	6,390	1,012	7,402
Unpaved	6,396	21,202	27,598
Total	12,786	22,214	35,000

Source: TANROADS

4.4 THE ROAD NETWORK CONDITION

The overall road network condition as assessed as per RMMS analysis in June, 2016 was that 85% were in good/fair condition while 15% were in poor condition. Figure 4.1 below shows a seven years trend of national road condition as of June every year.

Figure 4.1: Trend of Road Condition for Trunk and Regional Roads



Source: TANROADS & RFB

Note:

- The road length surveyed covered only 30,347 km.
- 3,986 km were not covered as they were under construction to bitumen standard.

Due to the effect of irregular performance of road maintenance by contractors, unreliable flow of funds, presence of abnormal rains in some areas, and delay in procurement of works; there was a drop of condition by 1% as compared to the preceding year.

Picture 4.1: Dodoma - Babati Road Section



Dodoma – Babati Road which will be maintained by Roads Fund

4.5 PHYSICAL AND FINANCIAL PERFORMANCE

Up to 30th June 2016, a total of TZS 257,456.997 million equal to 57% of the total annual budget was received by TANROADS and were spent accordingly.

The total expenditure for Trunk roads was TZS 51,595,219,000 against TZS 117,744,609,000 which is 44%, while physical performance achievement was 61%. Expenditure for Regional roads was TZS 95,367,033,000 compared to annual plan of TZS 224,542,062,000 which is 42% and its physical performance recorded 59% against annual targets. The detail of annual performance is shown in Table 4.3 below.

Table 4.3: Overall Performance on Trunk and Regional Roads for FY 2015/16

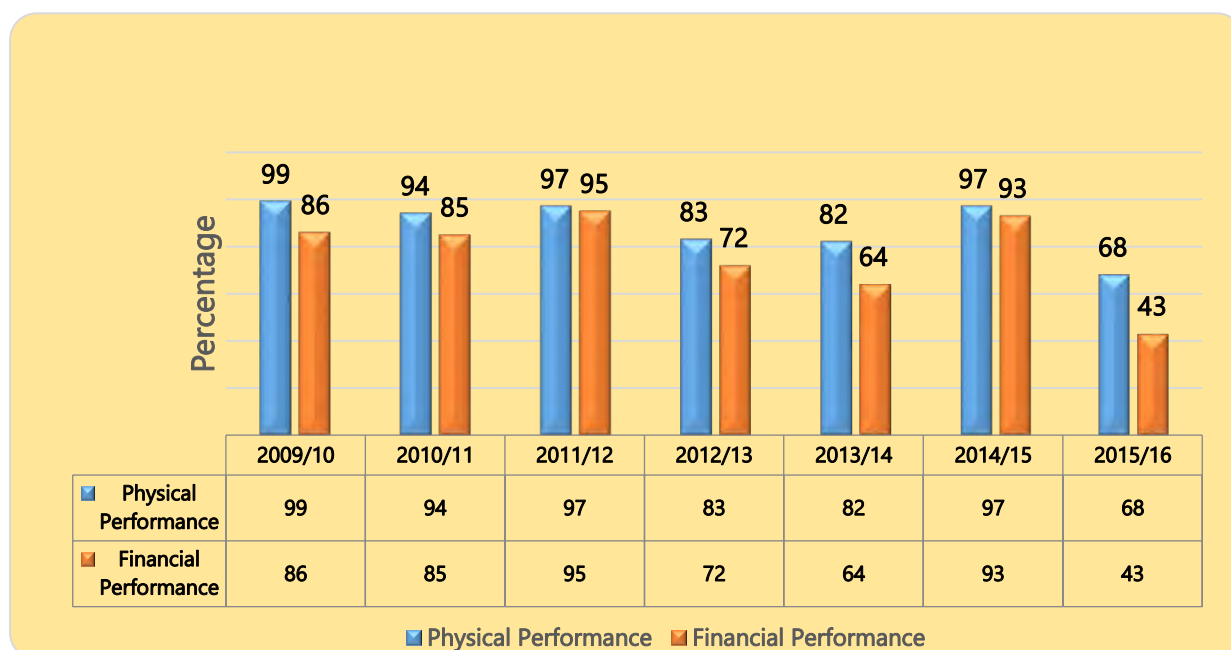
ACTIVITY	PHYSICAL				FINANCIAL (TZS MILL)		
	UNIT	Annual Plan	Annual performance	%	Annual Plan	Annual performance	%
TRUNK ROADS PERFORMANCE							
Routine & Rec. - P	km	7,710.6	4,568.4	59%	27,998.542	12,321.870	44%
Routine & Rec. - Up	km	3,211.0	2,161.4	67%	11,549.342	7,322.227	63%
Periodic mtce – P	km	252.8	130.5	52%	50,331.288	20,059.529	40%
Periodic mtce - Up	km	635.8	479.1	75%	13,918.082	6,901.544	50%
Spot Impr – P	km	21.9	15.1	69%	4,622.187	1,642.636	36%
Spot Impr.t – Up	km	95.6	140.0	146%	1,672.579	1,593.951	95%
Bridges Preventive	Nos.	1,463	708	48%	1,801.484	319.001	18%
Bridges repairs	Nos.	71	36	51%	5,851.102	1,434.461	25%
Routine & Rec. - TR	km	10,921.6	6,729.7	62%	39,547.884	19,644.096	50%
Periodic mtce -TR	km	888.6	609.6	69%	64,249.371	26,961.073	42%
Spot Impr – TR	Km	117.6	155.0	132%	6,294.767	3,236.587	51%
Bridge Mtce- TR	Nos.	1,534	744	49%	7,652.587	1,753.463	23%
Overall Trunk Roads		13,461.8	8,238.3	61%	117,744.609	51,595.219	44%
REGIONAL ROADS PERFORMANCE							
Routine & Rec. - P	km	1,332.4	1,057.3	79%	5,390.502	2,333.571	43%
Routine & Rec. - Up	km	20,489.5	11,829.3	58%	60,520.664	30,082.925	50%
Periodic mtce – P	km	160.0	150.1	94%	42,102.282	16,133.395	38%
Periodic mtce - Up	km	3,330.3	2,062.7	62%	68,666.251	28,869.699	42%
Spot Impr – P	km	9.7	23.0	237%	1,700.500	192.210	11%
Spot Impr.t – Up	km	933.6	573.9	61%	16,622.223	6,687.531	40%
Bridges Preventive	Nos.	1,347	561	42%	2,553.205	1,385.640	54%
Bridges repairs	Nos.	220	267	122%	26,986.435	9,682.063	36%
Routine & Rec. - RR	km	21,821.8	12,887	59%	65,911.166	32,416.495	49%
Periodic mtce -RR	km	3,490.2	2,213	63%	110,768.532	45,003.094	41%
Spot Impr – RR	Km	943.3	597	63%	18,322.723	6,879.741	38%
Bridge Mtce- RR	Nos.	1,567	829	53%	29,539.641	11,067.703	37%
Overall Regional Roads		27,822.3	16,526	59%	224,542.062	95,367.033	42%
Routine & Rec. – Total	km	32,743.4	19,616.4	60%	105,459.050	52,060.592	49%
Periodic mtce - Total	km	4,378.9	2,822.4	64%	175,017.903	71,964.167	41%
Spot Impr - Total	Km	1,060.9	751.9	71%	24,617.490	10,116.328	41%
Bridge Mtce- Total	Nos.	3,101	1,572.7	51%	37,192.227	12,821.166	34%
Overall Grand Total Trunk and Regional Roads		41,284.2	24,763.4	60%	342,286.67	146,962.253	43%

Source: TANROADS

Up to 30th June 2016, the physical and financial performance was 60% and 43% 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 4.2 shows the trend of physical and financial performance of TANROADS overtime.

Figure 4.2: Trend of physical and Financial Performance - TANROADS



Source: TANROADS & RFB

4.6 EMERGENCY WORKS

During the year under review all regions except Kagera, Njombe, Mara, Geita, Simiyu and Dar es Salaam had cases of emergency works caused by heavy rains from November 2015 to April 2016. The rains caused damages to roads and bridges which led to closure of some roads or impassability for some time. The Regions submitted requests for emergency funds amounted to TZS 18,634.226 million. TANROADS continued with execution of emergency works as per laid down procedures to ensure the roads are opened and passable. Funds amounting to TZS 5,426.511 million were advanced to 20 regions to support emergency works. The emergency cases by regions are shown in Table 4.4 below.

Table 4.4: Emergency Cases by Regions and Breakdown of Roads Fund allocated for urgent works

S/No.	Region	Road name	Amount (TZS MILL)
1.	Arusha	Usa River-Oldonyosambu	100.000
		Arusha-Namanga	200.000
2.	Coast	Dar –Lindi	409.500
		Kisauke-Saadani	100.000
3.	Dodoma	Mtera (IT/DOM brd)- Dodoma, T005 (km 140.56)	300.000
4.	Iringa	Iringa-Msembe	300.000
5.	Katavi	Mpanda-Koga (Tabora Border)	300.000
6.	Kigoma	Simbo-Ilagala-Kyala	41.024
7.	Kilimanjaro	Mwembe-Myamba-Ndungu	200.000
8.	Lindi	Nachingwea-Kilimarando	180.000
9.	Manyara	Mogitu-Haydom	100.000
10.	Mbeya	Galula-Namkukwe	26.617
		Ndembo Bailey Bridge (Isongole II – Isoko)	80.000
		Galula-Namkukwe katika CH 3+000- 5+000	159.531
11.	Morogoro	Morogoro-Dodoma	800.000
		Mvomero-Ndole-Kibati	200.000
		Kibati-Lusanga	200.000
		Mikumi-Lupiro-Kilosa kwa Mpepo	200.000
13.	Mtwara	Madimba-Tangazo-Namikupa	50.000
		Mtama-Mkwiti-Newala	200.000
14.	Mwanza	Magu-Kabila-Mhaha	200.000
		Kanyenze-Airport-Kayenze	100.000
		Mwanangwa-Misasi-Salawe (Mwz-Shy border)	100.000
15.	Rukwa	Kasansa-Kilyamatundu	97.670
		Msishindwe-Mwambwekenya	40.460
16.	Ruvuma	Songea-Mbinga-Mbambabay	49.840
		Mbambabay-Lituihi (km 112.44)	200.000
		Nangombo - Chiwidi	165.100
17.	Shinyanga	Nyandekwa Jct-Butibu	27.563
18.	Singida	Ikungi-Londoni-Kilimatinde	100.000
19.	Tabora	Kaliua-Unyankulu	200.000
20.	Tanga	Mombo-Lushoto-Magamba	99.206
		Kwaluguru-Kiberashi Road (Km 55+600 and Km 90+600)	200.000
TOTAL			5,426.511

4.7 STATUS OF ROLLED OVER FUNDS FROM FY 2014/15

Inability to utilise funds as planned in the year, normally results in funds being extended to the next financial year. The overall performance of rolled fund was 97% and 93% for physical and financial respectively as shown in Table 4.5 below.

Table 4.5: Performance of Rollover Funds from FY 2014/15

ACTIVITY	PHYSICAL				FINANCIAL (TZS MILL)		
	UNIT	Annual Plan	Annual performance	%	Annual Plan	Annual performance	
TRUNK ROADS PERFORMANCE							
Routine & Rec. - P	km	5,509.0	5,474.5	99%	23,788.231	21,746.730	91%
Routine & Rec. - Up	km	2,863.2	2,916.9	102%	10,785.572	10,520.089	98%
Periodic mtce - P	km	189.4	177.5	94%	35,633.183	33,217.403	93%
Periodic mtce - Up	km	645.8	583.8	90%	14,489.616	14,328.229	99%
Spot Impr - P	km	13.5	15.3	113%	1,402.918	1,593.190	114%
Spot Impr.t - Up	km	62.3	65.8	106%	1,206.574	1,071.329	89%
Bridges Preventive	Nos.	1,070	914	85%	1,858.499	1,544.954	83%
Bridges repairs	Nos.	67	107	161%	4,702.591	2,970.985	63%
Routine & Rec. - TR	km	8,372.2	8,391.4	100%	34,573.803	32,266.820	93%
Periodic mtce -TR	km	835.2	761.3	91%	50,122.799	47,545.632	95%
Spot Impr - TR	Km	75.8	81.1	107%	2,609.492	2,664.520	102%
Bridge Mtce- TR	Nos.	1,137	1,022	90%	6,561.090	4,515.939	69%
Overall Trunk Roads		99%			93%		
REGIONAL ROADS PERFORMANCE							
Routine & Rec. - P	km	1,097.4	1,005.2	92%	4,172.088	3,796.088	91%
Routine & Rec. - Up	km	14,215.7	13,933.1	98%	41,729.945	39,437.837	95%
Periodic mtce - P	km	104.3	101.8	98%	32,801.037	31,005.180	95%
Periodic mtce - Up	km	2,960.7	2,654.1	90%	52,283.560	46,975.693	90%
Spot Impr - P	km	15.9	15.8	99%	2,064.700	1,709.974	83%
Spot Impr.t - Up	km	774.1	765.2	99%	13,922.350	13,786.382	99%
Bridges Preventive	Nos.	991	1,155	117%	1,707.371	1,956.257	115%
Bridges repairs	Nos.	146	139	95%	14,742.523	13,494.274	92%
Routine & Rec. - RR	km	15,313.0	14,938	98%	45,902.033	43,233.925	94%
Periodic mtce -RR	km	3,064.9	2,756	90%	85,084.597	77,980.873	92%
Spot Impr - RR	Km	790.0	781	99%	15,987.050	15,496.355	97%
Bridge Mtce- RR	Nos.	1,137	1,293	114%	16,449.894	15,450.531	94%
Overall Regional Roads		95%			93%		
Routine & Rec. - Total	km	23,685.2	23,329.8	98%	80,475.835	75,500.745	94%
Periodic mtce - Total	km	3,900.1	3,517.1	90%	135,207.396	125,526.505	93%
Spot Impr - Total	Km	865.8	862.1	100%	18,596.542	18,160.875	98%
Bridge Mtce- Total	Nos.	2,274	2,315.3	102%	23,010.984	19,966.470	87%
Overall Grand Total Trunk and Regional Roads		97%			93%		

4.8 PERFORMANCE-BASED MANAGEMENT AND MAINTENANCE OF ROADS

The Performance-Based Management and Maintenance of Roads was a pilot project covering a total of 1,076 km of unpaved roads located in Tanga, Mwanza and Rukwa regions. The project consisted of six packages or contracts whereby, for each contract, a contractor was required to assure certain pre-defined service levels are reached at all times during five years of the contracts.

All packages were closed in FY 2013/14, by either termination or completion. The projects have shown a number of success with added advantages over traditional maintenance, including roads being maintained at all times with contractors being available at site even for emergencies and; reduced workload for the Agency in terms of procurement and supervision staffing.

Due to the successful performance of previous phase, TZS 1000 million was set for the purpose in FY 2014/15 and procurement for a consultant to design the new phase was at the stage of evaluation of technical proposals. The procurement of a consultant to design the new phase of the PMMR project was ongoing.

4.9 VEHICLE AXLE LOAD CONTROL

The Axle Load Control is undertaken by TANROADS to control vehicle overloading along the trunk and regional roads networks. Vehicle Axle Load Programme in FY 2015/16 comprised of operations at 38 permanent stations, and 22 mobile weighbridges.

In FY 2015/16, a total of 3,493,491 vehicles were weighed throughout the country; out of these, 934,706 vehicles were found to be overloaded, which is 27% of weighed vehicles. Out of the overloaded vehicles only 44,127 equivalent to 1.27% were found to be over loaded beyond the allowable 5% overload and hence were charged accordingly.

4.9.1 Weighing of Vehicles

During the year, operation of weighing vehicles continued at the weighing stations on the road network. Table 4.6 and 4.7 below provides the records of the weighing exercise that includes imposed and collected fines up to 30th June 2016.

Table 4.6: Number of Vehicles Weighed in FY 2015/16

Quarter	Weighed Vehicles	Overloaded Vehicles		Overloaded >5% Tolerance	
	No.	No.	%	No.	%
1 st	941,075	236,897	25.17	10,619	1.13
2 nd	866,393	222,998	25.74	10,789	1.25
3 rd	826,226	225,815	27.33	11,788	1.43
4 th	859,497	249,996	29.92	10,931	1.27
Total	3,493,491	934,706	26.76	44,127	1.27

Table 4.7: Overloading fine imposed for FY 2015/16 (TZS)

Quarter	Imposed Fines	Collected Fines	Amount Not Collected
1 st	1,334,637,267.60	1,313,013,431.60	21,623,836.00
2 nd	1,391,113,677.62	1,343,859,421.62	47,254,256.00
3 rd	1,428,667,660.66	1,396,621,828.66	32,045,832.00
4 th	1,510,633,220.60	1,479,187,157.60	31,446,063.00
Total	5,665,051,826.48	5,532,681,839.48	132,369,987.00

4.9.2 Abnormal Load Permit

During the year, transporters with abnormal loads were issued permits, in the regions, and a total of TZS 183,557,134.05 was collected from the same. Also a total of TZS 184,389,234.00 was collected from other charges excluding the road damage fees.

4.10 REPAIRS AND IMPROVEMENT OF WEIGHBRIDGES

During the reporting period, TANROADS continued to provide technical services to weighbridges in the regions such as repairs, services and calibration.

4.11 FUTURE PLAN ON WEIGHBRIDGES MANAGEMENT

(i) Construction of Kurasini Weighbridge Station

The Kurasini Weighbridge was planned to be constructed mainly to conduct verification of compliance on loading limit on trucks coming from the port of Dar es Salaam before plying on the paved roads going to the City or upcountry. The station will save cost in terms of time to offload the cargos in case of overload in the presence of TRA officers to unseal and reseal the containers. It will also protect the roads from damage before reaching the first Weighbridge of Vigwaza. The project was under procurement.

(ii) Construction of Dakawa Magereza Weighbridge Station

A Weighbridge station was planned to be constructed at Dakawa Magereza, to capture traffic along Morogoro – Dodoma trunk road. The station will replace the heavily traffic congested Kihonda single axle weighbridge station near Morogoro Municipality. The project was under procurement. A plan was also in place for Construction of Weigh in Motion (WIM) station and Supply and Installation of Weigh in Motion Scales at Nala, Njuki, Wenda and Mpemba Weighbridge Stations.

(iii) Weighbridge CCTV Management System

The MoWTC allocated funds for financial year 2014/15 for establishment of Weighbridge CCTV Management System at 13 Weighbridge Stations. The stations which are along the Trunk Roads Network; include: Vigwaza (2 units), Mikese (2 units), Nala (1 unit), Njuki (1 unit), Himo (2 units), Mikumi (1 unit), Mpemba (1 unit), Mingoyo (1 unit), Mutukula (1 unit) and Nyakahura (1 unit).

The procurement of the firm to undertake the project was finalised and contract signed on 29th April, 2016. Thereafter, there was a discussion on the project costs/funding with RFB. Implementation of the project is awaiting conclusion of the discussions.

4.12 ROAD RESERVE MANAGEMENT

All regions carried activities to protect the road reserve against encroachers. The activities include marking of illegal structures, installing marker posts; awareness campaigns; and demolition of unlawfully erected structures. A total of TZS 485.031 million was spent in road reserve management for the year under review.

4.13 ROAD SAFETY MANAGEMENT

The roads safety management entails activities such as road marking, installation of road/information signs, and construction of rumble strips, installation/replacement of guardrails, and construction of standard road humps, and installation/replacement of traffic lights. During the year under review, a total of TZS 1,925.227 million was used for road safety management.

Vandalism/damages to road furniture and structure was and still is a challenge to the road sector in Tanzania. In the FY 2015/16 a total TZS 1,189,373 million was spent as a result of vandalism/damages to road furniture, whereby TZS 252,344 million was recovered from various culprits.

4.14 ROAD MAINTENANCE MANAGEMENT SYSTEM

TANROADS operates a Road Maintenance Management System, RoadMentor-5, which is interfaced with Geographical Information System (GIS). GIS allows data analysis results stored in the database to be shown on maps and 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 year a total of TZS 1,239.9 million was used for RMMS related activities whereby TZS 605.6 million was for RMMS system development and TZS 634.4 million was for roads data collection.

In this year TANROADS had conducted RMMS training to the new appointed RMMS Engineers on RMMS applications, GIS application and training on falling weight reflectometer (FWD).

4.15 BRIDGE MANAGEMENT SYSTEM

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

During the year, a total of TZS 116.3 million was disbursed to the regions to carry out bridge condition inspection and data entry into the HQ Tan-Bridgeman server through WAN. By the end of the 4th Quarter, the data collection assignment at the Regional Managers Offices was still on-going. This is due to the fact that the inspection of the bridges started after the rain season. Data entry will be carried out after data collection.

4.16 MAINTENANCE CHALLENGES FOR NATIONAL ROADS

During the FY 2015/16, TANROADS encountered a number of challenges which are continually tackled. Most of these challenges are related to inadequacy of resources and public awareness as follows:

- (i) Damage/Vandalism and theft of road furniture;
- (ii) Road reserve encroachment by some people;
- (iii) Low capacity of the local construction industry; and
- (iv) Inadequacy of resources to meet maintenance needs.



AUDITORS' OPINION ON FINANCIAL STATEMENTS OF TANROADS

2.0 AUDIT REPORT ON THE FINANCIAL STATEMENTS

To: The Chief Executive Officer,
Tanzania National Roads Agency (TANROADS),
P.O. Box 11364,
DAR ES SALAAM.

RE: REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE TANZANIA NATIONAL ROADS AGENCY FOR THE YEAR ENDED 30TH JUNE, 2016

Introduction

I have audited the financial statements of the TANROADS which comprises of the statement of Financial Position as at 30th June, 2016, its Statement of Financial Performance, Statement of Change in Equity and Cash Flows Statement for the year then ended, Statement of comparison of Budget and Actual Amounts and a Summary of Significant Accounting Policies and other Explanatory Information attached as Annexure I to this audit report.

Management's Responsibility for the financial statements

Management of the 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. Attached in Annexure II.

Responsibility of the Controller and Auditor General

My responsibility as an auditor is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with, International Standards of Supreme Audit Institutions (ISSAIs) 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 misstatements. 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 misstatements of the financial statements, whether due to fraud or error. In making the risk assessments, I considered internal control system relevant to the 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 internal controls. The 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 30th June, 2016 and of its Financial Performance and its Cash Flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSASs) Accrual basis of accounting.

Report on Other Legal and Regulatory Requirements

Compliance with the Public Procurement Act, 2011

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


 Prof. Mussa J. Assad
CONTROLLER AND AUDITOR GENERAL

March, 2017



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 and Planning,
 P.O. Box 9111,
 1 Madaraka Street,
 11468 DAR ES SALAAM.

Permanent Secretary and Accounting Officer of Vote 98,
Ministry of Works, Transport and Communication,
7 Samora Machel Avenue,
P.O. Box 9423,
11475 DAR ES SALAAM.

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR THE YEAR ENDED 30TH JUNE 2016

Pursuant to Section 25(4) of the Public Finance Act, 2001 (R.E. 2004), the Management is required to prepare financial statements for each financial year, which give a true and fair view of receipts and payments of the reporting entity as at the end of the financial year. It also requires Management to ensure the reporting entity keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the reporting entity. They are also responsible for safeguarding the assets of the entity.

TANROADS Management accepts responsibility for annual financial statements for the year ended 30th June 2014 which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards Accrual Basis (IPSAS – Accrual) and in the manner required by Section 25(4) of the Public Finance Act, 2001 (R.E. 2004), Section 15(1) of the Executive Agencies Act No. 30 of 1997 (amended 2009) and the Agency's Accounting Manual.

The Agency Management is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of TANROADS. Management, further, accepts responsibility for maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control. Management is responsible for safeguarding the assets of TANROADS and hence for taking reasonable steps for prevention and detection of frauds, errors and irregularities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

To the best of the Management's knowledge, the system of internal control has operated adequately throughout the reporting period and that the records and underlying accounts provide a reasonable basis for the preparation of the financial statements for the financial year 2015/2016. The Management accepts responsibility of the integrity of the financial statement, the information it contains and its compliance with the Public Finance Act, 2001, the Executive Agencies Act, 1997 and instructions from the Treasury.

Procurement of goods, works, consultancy, and non-consultancy services to the extent that they are reflected in these financial statements have been done in accordance with the Public Procurement Act No. 7 of 2011.

At the time of preparing this report, there was no evidence that came to the attention of the Management to signify that the entity will cease its operations; therefore, Tanzania National Roads Agency expects to continue in operation as a going concern Agency from the date of this statement.



Eng. P.A.L. Mfugale
CHIEF EXECUTIVE

DECLARATION OF THE HEAD OF FINANCE AND CHIEF ACCOUNTANT OF TANZANIA NATIONAL ROADS AGENCY

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

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

I, CPA Charles Kichere being the Head of Finance and Chief Accountant of Tanzania National Roads Agency hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June 2016 have been prepared in compliance with applicable accounting standards and statutory requirements.

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

Signed by:



Position: Head of Finance and Chief Accountant

NBAA Membership No.: ACPA 1450

Date:

20th Sept 2016

PART FIVE: PREVENTIVE TECHNICAL AUDIT REPORT

5.1 BACKGROUND

Preventive Technical Audit of road works executed by implementing agencies is carried out pursuant to SECTION 5 (4) of Part III of the Road and Fuel Tolls Act CAP 220, which require the Board (h) to ensure that the operations of TANROADS, TARURA, other road agencies and the fund are technically and financially sound and (i) to monitor the use of the funds disbursed to TANROADS, TARURA or other agencies for the purpose of the objects of the Fund.

5.2 TECHNICAL AUDIT REPORT FOR FY 2015/16

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 Preventive Technical Audit of all road maintenance works financed by the Fund.

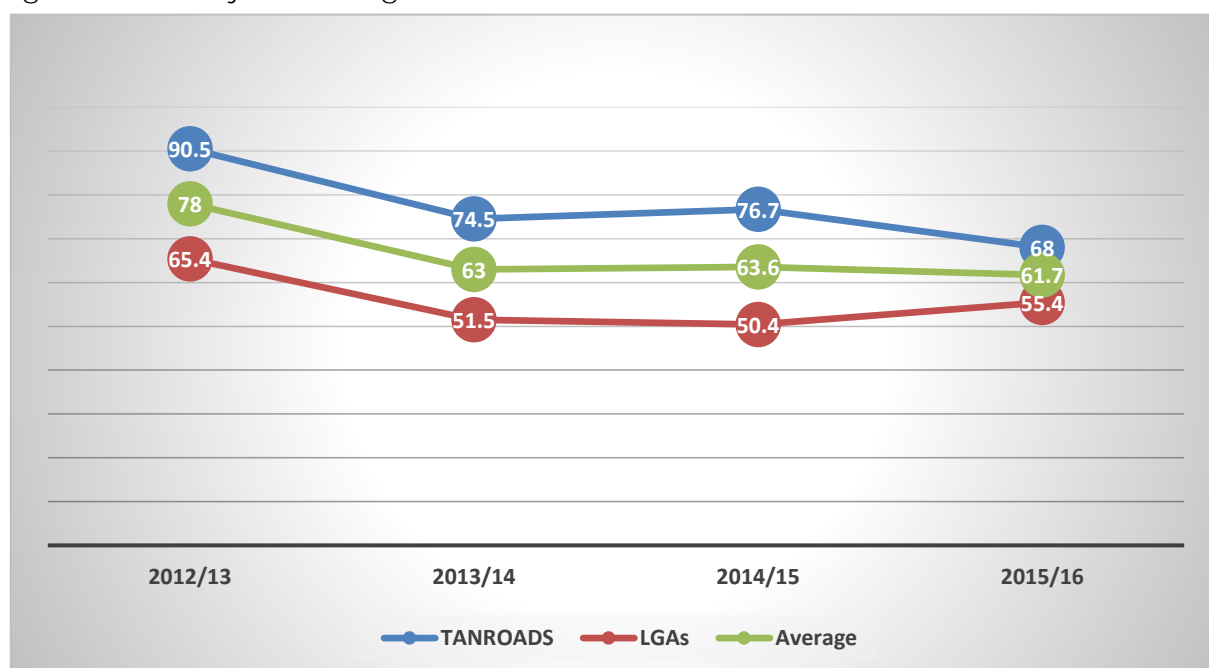
5.3 OPINION ON THE IMPLEMENTING AGENCIES

The performance of the Implementing Agencies shows a drop of about 16.3% from 78% in 2012/13 to 61.7% in 2015/16. However, on average overall performance was moderate at about 61.7% for the observed years. The performance still has not been better to the extent of achieving the desired outcomes. Better performance has been observed at procurement stage and project planning, design and tender documentation stage. While under performance was observed in project completion and closure; executed works stage; and construction.

5.3.1 Planning, Design and Tender Documentation

It was observed that road agencies had been performing better in planning, designing and tender documentation stage although its performance had been dropping over time as shown in Figure 5.1 below. It has been observed that the performance had been dropping due to failure in undertaking planning and design processes. The IAs have been underperforming in areas such as incompliance between project planning with requirements of Performance Agreements, 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 software, updated survey of road inventory and roads' condition survey.**

Figure 5.1: Project, Design and Tender Documentation



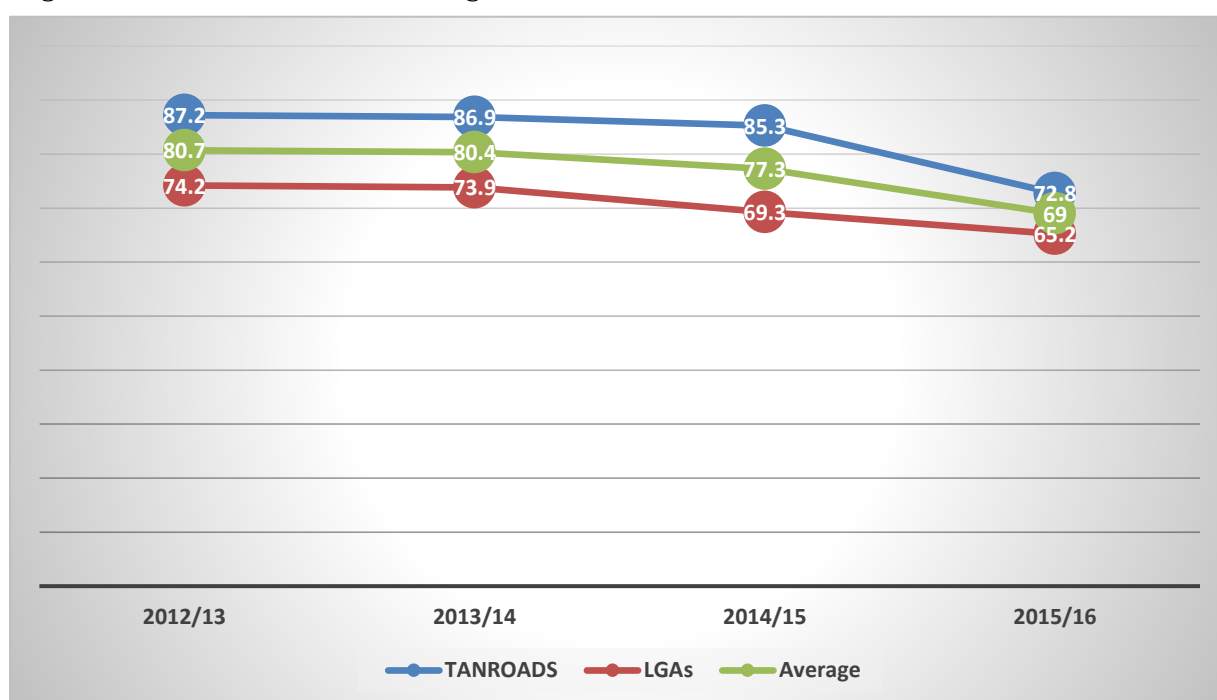
Source: Roads Fund Board, 2016

5.3.2 Procurement stage

Levels of performance in procurement has been very good over the observed years. For the case of LGAs, the performance at the procurement stage has been dropping **over time. However, on average, LGAs' performance in procurement stage had been good** for the observed years as illustrated in Figure 5.2 below.

It was noted that some procurement procedures were not observed during the process of hiring the 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 procurement process took so long to be accomplished due to passing through the vetting processes which took too much time which results in the delay of securing a contractor. Some LGAs negotiation meetings were not held and hence led to the lowest bidders being rejected.

Figure 5.2: Procurement Stage



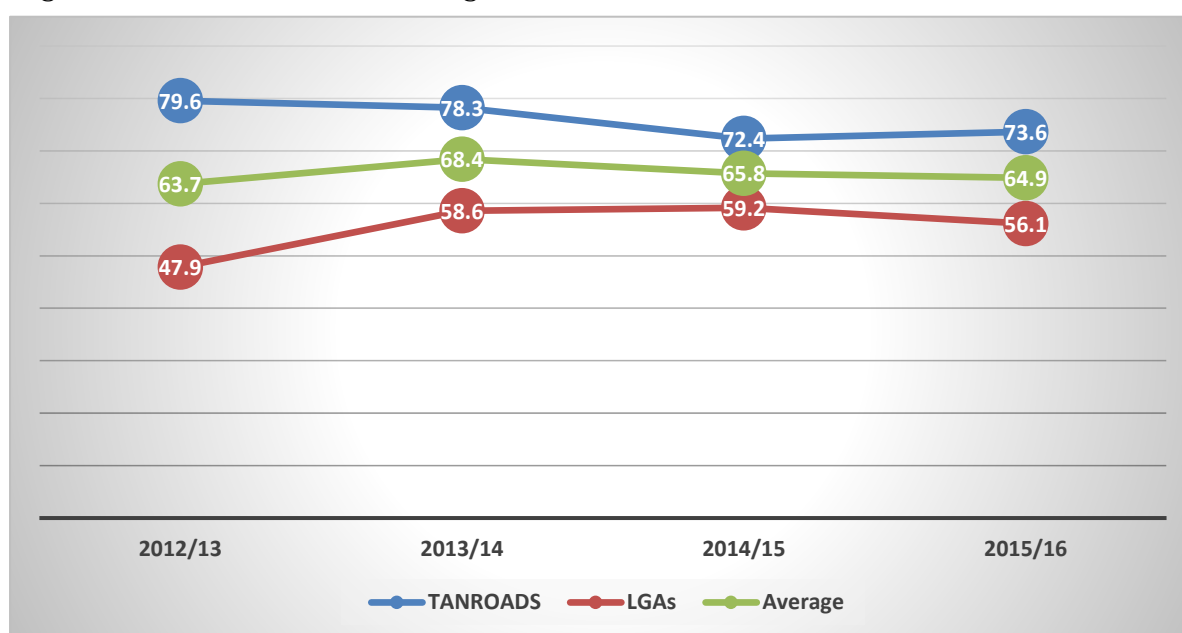
Source: Roads Fund Board, 2016

5.3.3 Construction Stage

In this stage it was noted that the LGAs performance have dropped in the areas of timeliness of site possession; quality project programs and adherence to quality assurance program as well as quality of site organization, staffs and supervising staff as illustrated in Figure 5.3 below. Also there were deficiency in areas such as quality of quality assurance program and adherence to quality assurance program. Furthermore, the environmental management plans (EMP) were not prepared and/or not implemented and the reasons behind that were based on **Implementing Agency's** (IA) lack of knowledge, policies and guidelines to help them, and which are not included in contracts. Moreover, they have also been performing poorly in areas such as project documentations; claims and costs overruns as well as project delays and extensions of time.

There was **satisfactory performance in areas such as supervising engineer's staff**, where contractors were capable enough as they have been able to recruit experienced professional engineers purposely to supervise the implementation of project at the site. It has been observed that in most of projects which were supervised by professional engineers, site meetings were conducted and the progress reports were prepared on time.

Figure 5.3: Construction Stage



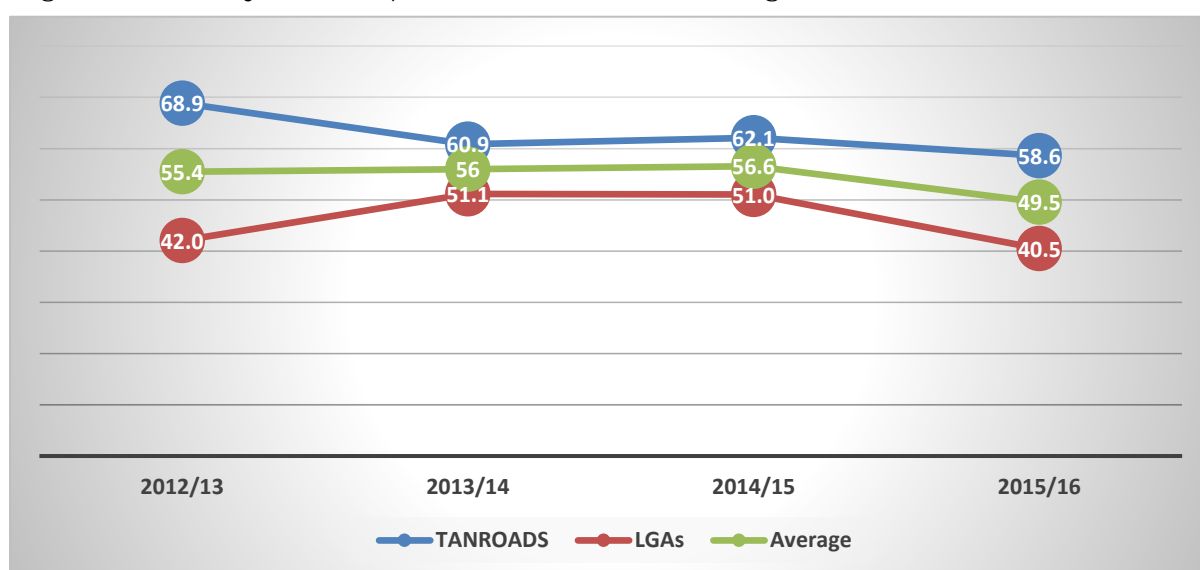
Source: Roads Fund Board, 2016

5.3.4 Project Completion and Closure Stage

On average, both TANROADS and LGAs' performance in project completion and closure stage has been dropping. And on average, the performance in completion and closure stage has been average for the observed year. However, TANROADS performance was relatively better for about 18.1% compared to LGAs' performance, as clearly illustrated in Figure 5.4 below.

LGAs have failed to manage 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 pre-set criteria and standards, at the stipulated time. Also there was observed inadequate supervision and management of contracts which led to late issuance of substantial completion and final certificates as well as settlement of final accounts. Moreover, there were additional costs and extension of completion time beyond the accepted tender price and contract project completion period.

Figure 5.4: Project Completion and Closure Stage

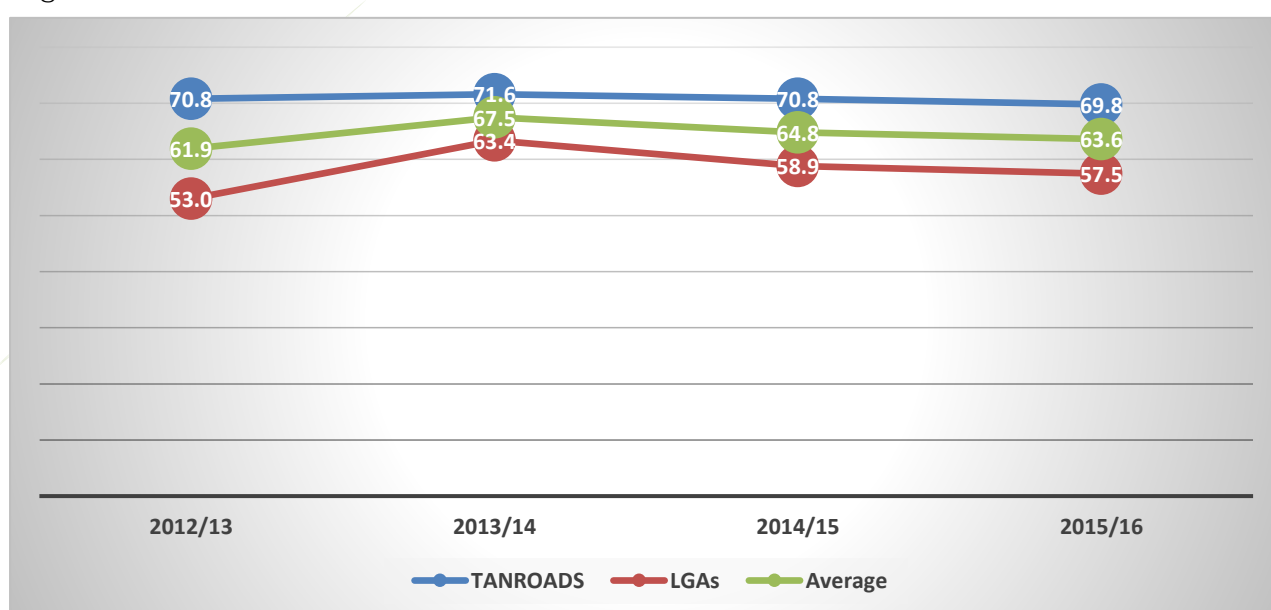


Source: Roads Fund Board, 2016

5.3.5 Executed Works

Both TANROADS and LGAs failed to manage many projects since there was low **satisfaction of the completed works**. It has been observed that the dimension's culverts and bridges did not comply with the technical drawings and specifications. Also there was non-compliance of quality materials used in pavement structures with technical specifications. And also there was low quality of material used in concrete and masonry works. Moreover, there was non-compliance in site clean-up with restoration of disturbed and/or damaged areas and incompliance of on-going construction activities with EMP requirements. Figure 5.5 illustrates the slightly drop in this stage by the Implementing Agencies.

Figure 5.5: Executed Works



Source: Roads Fund Board, 2016

5.3.6 Overall Performance

The overall performance shows that the Implementing Agencies performance has dramatically dropped by about 6 percent from 67.5% in 2012/13 to 63.7% in 2015/16 percent. However, on average overall performance was moderate at about 65.6% for the observed years.

Table 5.1: Overall Performance of Implementing Agencies

S/N	Stages	2012/13-2013/14	2014/15-2015/16	Average
1	Project, Design and Tender Documentation	70.5	62.6	66.6
2	Procurement Stage	80.5	73.1	76.8
3	Construction Stage	66.1	65.3	65.7
4	Project Completion and Closure Stage	55.7	53.1	54.4
5	Executed Works	64.6	64.3	64.4
A	Overall Performance	67.5	63.7	65.6
B	Growth Rate in %	-5.6		

Source: Roads Fund Board, 2016



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