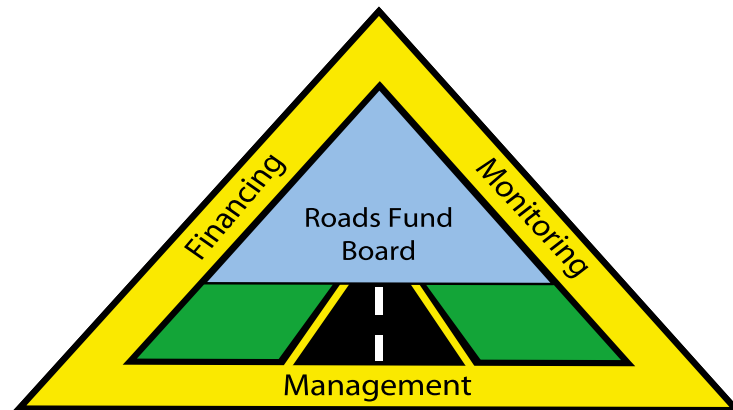


ANNUAL REPORT 2016/17



ROADS FUND BOARD

ANNUAL REPORT FOR FY 2016 / 17

Vision, Mission and Core Values of the Board



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.



Core Values

Integrity

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

Transparency

We are open, accountable and responsible to stakeholders.

Teamwork

We will work as team to achieve our objectives.

Competence

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

Innovation

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

Professionalism

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

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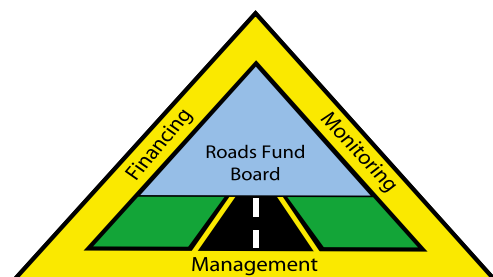
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ACRONYMS

ADB	African Development Bank
AFCAP	African Country Access Programme
ARMC	Audit and Risk Management Committee
ARMFA	African Road Maintenance Funds Association
ATTI	Appropriate Technology Training Institute
Bill	Billion
CRB	Contractors Registration Board
DC	District Council
DED	District Executive Director
DRDP	District Road Development Programme
DROMAS	District Roads Management System
EAC	East African Community
EDF	European Development Fund
ERB	Engineers Registration Board
EU	European Union
FY	Financial Year
GOT	Government of Tanzania
HPL	Head of Planning
HQ	Headquarters
HREDC	Human Resource, Employment and Discipline Committee
IDA	International Development Association
IRAT	Improving Rural Access in Tanzania
JICA	Japan International Cooperation Agency
KOJ	Kurasini Oil Jet
LAN	Local Area Network
LBT	Labour-Based Technology
LGA	Local Government Authority
LG-RICS	Local Government Road Inventory and Condition Survey
LVR	Low Volume Roads
MAB	Ministerial Advisory Board
MC	Municipal Council
MoWTC (W)	Ministry of Works, Transport and Communication (Works Sector)
Mil.	Million
MTI	Morogoro Training Institute
NAO	National Audit Office
NBS	National Bureau of Statistics
NCC	National Construction Council
NCG	Nordic Consulting Group
NCU	National Coordination Unit
NGO	Non-Government Organizations

NORAD	Norwegian Agency for Development Cooperation
NPRA	Norwegian Public Roads Administration
NRTP	National Rural Roads Transport Programme
PAC	Parliament Public Accounts Committee
PfG	Partnership for Growth
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
RFB	Roads Fund Board
RFMU	Road Fund Management Unit
RMI	The Road Maintenance Initiative
RMMS	Road Maintenance Management System
RMO	Regional Manager's Office
RRTP	Rural Roads Transport Programme
RS	Regional Secretariat
RSPS	Road Sector Programme Support
RUC	Road User Charge
RUSIRM	Ruvuma and Southern Iringa Road Maintenance Project
SADC	Southern African Development Community
SUMATRA	Surface Marine Transport Regulatory Authority
TACECA	Tanzania Civil Engineering Contractors Association
TANROADS	Tanzania National Roads Agency
TARURA	Tanzania Rural and Urban Roads Agency
TASAF	Tanzania Social Action Fund
TC	Town Council
TEP	TANROADS Equipment Pool
TFAC	Technical, Finance and Administration Committee
THOU	Thousands
TZS	Tanzania Shillings
USD	United States of American Dollar
VTTP	Village Travel and Transport Programme
WAN	Wide Area Network
WB	World Bank
WPU	Women Participation Unit

LETTER OF SUBMITTAL
ROADS FUND BOARD



UNITED REPUBLIC OF TANZANIA

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

Honourable Minister,

RE: ANNUAL REPORT FOR THE YEAR 2016/2017

With great honour, I am pleased to submit the Annual Report for the year ended 30th June 2017. The Report is submitted pursuant to Section 5 (6) and (7) of the Road and Fuel Tolls Act Chapter 220. The report comprises of:

- (i) Statement of the Chairperson of the Board of Directors;
- (ii) Performance Review of the Fund Operations; and
- (iii) Audited Financial Statements for the Fund Operations in the Financial Year 2016/2017.

Yours Sincerely,



Mr. Joseph O. Haule
Chairman of the Board

CHAIRMAN'S STATEMENT



Mr. Joseph O. Haule
Chairman

INTRODUCTION

The financial year 2016/17 marked a third year of implementation of the Road Fund Board's five-year Strategic Plan. During the year, the Board continued to pursue and implement its mandate in accordance to the Road and Fuels Tolls Act, Chapter 220. This report presents performance of the Board and implementing agencies being financed by the Fund.

STRATEGIC ACTIONS

During the year, the Board revised its Five Year Strategic Plan 2014/15 – 2018/19, with the view to align it with the Second National Five-Year Development Plan (2016/17- 2020/21). As a result of the review, a new five-year Strategic Plan 2016/2017 – 2020/2021 has been developed.

The Objectives in the new Strategic Plan have been re-formulated from five to six Strategic Objectives. The rationale of the reformulation is to add new strategy in enhancing the capacity of the Fund by reducing cost of maintenance.

Over the past five years, the size of the Fund has increased by 72 percent from TZS 439 billion in 2012/13 to TZS 755 billion in FY 2016/17. The road network has increased by 65% from 87,241 km in 2006/07 to 143,946 km in 2016/17. The network includes 56,705km which is unclassified roads .

The above developments is among the factors that obliged the Board to re-strategise on how to improve its capacity to provide funds to maintain the expanded roads network. As a move to address the challenge of financing gap, the Board will also focus on reducing the cost of maintenance instead of only increasing revenue. One of the target for the strategy is strengthening the application of new low cost maintenance technologies.

The accomplishment of the process for the establishment of TARURA is another achievements during the year. The Board is grateful for this establishment which will lead to harmonization and uniformity in roads agencies financed by the Fund. We believe that the establishment of TARURA will reinvigorate our collective efforts to maintain the road network. The Board would like to commend the Fifth Phase Government's noble decision to strengthen the institutional capacity required for ensuring technical and financial capacity of the roads agencies.

CHALLENGES

Despite remarkable achievements that were realised in 2016/17 financial year, the financing gap for road maintenance continued to be the Board's main challenge. This constrained implementation of the Board's Strategic Plan during the year. The gap has been increasing due to expansion of road network, raising maintenance costs and limited funds. In addition to the strategic measures taken as indicated above, we are also undertaking studies to identify new sources of revenue for the Fund based on best practices from other countries, available internal opportunities and invitation to Development Partners to leverage the Fund.

STAKEHOLDERS

The Board understands that effective and sustainable road maintenance requires concerted efforts from all stakeholders – including the Government, road implementing agencies, financiers – both public and private, contractors, road users and service providers.

Success would therefore require all stakeholders to consistently work together to achieve our goals through integrated initiatives that place a high priority on maintaining and preserving our roads network. It is important to put emphasis on road maintenance, as it is the only mode of transport that delivers service to the doorsteps of consumers.

ACKNOWLEDGEMENT

Once again, I owe credit to many stakeholders who helped the Board to achieve the results during the year through their direct engagement, or constructive feedback they provided to us.

The Board would like to convey its appreciation and acknowledgement for the support received from the Government on strategic and policy guidance; TRA for revenue collection; and TPA, EWURA and PIC for information sharing and guidance.

I extend my hearty appreciation to DFID, EU and JICA for their financial support for roads maintenance. I also wish to thank the Board Members and the Secretariat for their hard work and commitment to ensure that the road network is well maintained.

Mr. Joseph O. Haule
CHAIRMAN

BOARD MEMBERS



Mr. Joseph O. Haule
Chairman



Eng. Joseph M. Nyamhanga
The Permanent Secretary,
MoWTC



Eng. Musa I. Iyombe
The Permanent Secretary,
PORALG



Mr. Doto M. James
The Permanent Secretary,
MoFP



Leopold B. Kabendera
Representing TATO



Eng. Ven K. Ndyamukama
Director of Roads - MoWTC



Eng. Peter D. P. Chisawillo
Representing TCCIA



Mr. Fulgence Bube
Representing TATO



Ms. Agnes Namuhisa
Representative TFC



Mr. Eliud T. Nyauhenga
Secretary

THE ROADS FUND MANAGER'S STATEMENT



Mr Eliud T. Nyauhenga
Roads Fund Manager

INTRODUCTION

I feel honoured to present a statement on the operations of the Roads Fund Board based on the activities which were implemented during the financial year of 2016/17

STRATEGIC ACTIONS

The financial year was the third year for the implementation of the current Roads Fund Board Strategic Plan (2014/15-2018/19). As scheduled, the mid-term review of the Plan was conducted during this year. In the course of the review, it necessitated the development of a new Strategic Plan and hence the budget was revised accordingly, to accommodate the new features of the revised Plan. This was done in order to align the Plan with the National 2nd Five year Development Plan 2016/17 – 2020/21.

OPERATIONAL MATTERS

During the Financial Year, the Board planned to execute a number of activities related to its main functions of ensuring sustainable availability of funds for roads maintenance, disbursement of the funds to roads Implementing Agencies and monitoring the utilisation of the same. It was planned to collect TZS 832,349 million from appropriated sources i.e. fuel levy and transit fees; TZS 7,500 million from miscellaneous collections (overloading related fees and road reserve user charges); and TZS 113,040 million from Development Partners.

While the miscellaneous collections from overloading related charges and Development Partners support were used for special projects, the appropriated budget was allocated to TANROADS (TZS 519,870 million), PORALG (TZS 247,555 million), MoWTC (TZS 57,764 million) and RFB (TZS 7,158 million).

During the year, collections from appropriated revenue sources was TZS 755,689 million resulting to a deficit of 9% [equivalent to TZS 76,661 million] when compared to the estimate of TZS. 832,349 million. This reflects unsatisfactory performance of the revenue sources during the year.

The Collections from miscellaneous sources that are normally meant for emergency and urgent road works, was TZS 10,976 million from overloading fees and TZS 9,149 million from road reserve user charges. Due to increasing budget deficit, part of the revenue from usage of Road reserve was allocated to Implementing Agencies for planned works. This led to reduction of the deficit to 8%.

Due to shortfall in revenue collection in previous year, the 2016/17 financial budget was adjusted to incorporate activities which were not implemented in FY 2015/16.

During this year, a total of TZS 92,807 million was received from Development Partners out of TZS 113,040 million that was expected. Out of the funds received from Development Partners, TZS 84,167 million was disbursed to Implementing Agencies based on certified works.

Apart from revenue and technical monitoring activities that are normally performed every year, the Board planned to perform a road inventory and condition survey. This was part of a review process of funds allocation formula that aim to resolve the perceived inequality in the allocation of funds among road agencies. As at the end of the year, the programme was at resources mobilization stage.

CHALLENGES

Despite the above achievements, financial constraints continued to be the main challenge in implementing operations of the Fund. This has led to a persistent road maintenance financing gap of about 51%. The inadequacy of funds is accelerated by over-dependence on fuel levy as a major source of revenue that account for 98% of Fund's revenue. The Board continues to conduct researches in order to advise the Government on the prospective sources of Roads Fund revenue and appropriate rates for existing sources. During the year, the Board commenced Consultancy Services for Broadening the Roads Fund Revenue Base that will form a base for Government advice. In addition, the Board has started embarking on promoting technologies that will reduce maintenance costs as an alternative way towards funds adequacy.

Overloading and vandalism of roads furniture continue is another challenge as they increase roads maintenance costs due to pre-mature failure of roads and frequent replacement of road furniture.

We urge all roads stakeholders to play part to ensure that the maintenance needs are reduced by refraining from actions that lead to roads damage like overloading and vandalism of roads' furniture.

I thank all who in one way or another supported the Board to execute its mandated activities during the year and look forward to your continued support and cooperation.



Eliud T. Nyauhenga
ROADS FUND MANAGER

**MANAGEMENT
TEAM**



Mr. Eliud T. Nyauhenga
Roads Fund Manager



CPA. Anna Masaro
Ag. Deputy Manager
Finance & Administration



Eng. Rashid S. Kalimbaga
Deputy Manager
Technical Services



CPA Kukwe G. Nyabusalo
Acting Deputy Manager
Resource Mobilisation



CPA Ayub James
Chief Internal Auditor



Mr. Abdallah H. Mtey
Head of Procurement
Management Unit



Mr. Emmanuel Mwakajinga
Head of ICT

PART
ONE

ROADS FUND BOARD MEMBER'S REPORT

1.1 INTRODUCTION

The Roads Fund Board Members present their report and the Financial Statements for the year ended 30th June 2017, which disclose the state of affairs of the Roads Fund Board. This report has been prepared in accordance with the First Tanzania Financial Reporting Standard (TFRS 1).

1.2 FUNCTIONS OF THE BOARD

Pursuant to the Road and Fuel Toll Act CAP 220, the main functions of the Road Funds Board are:

- a) To advise the roads Minister on new sources of roads and fuel tolls, adjustment of rates of existing roads and fuel tolls and on regulations for collection of road and fuel tolls for the purpose of ensuring adequate and stable flow of funds to road operations;
- b) To apply the money deposited into the Fund for the purposes approved by the Parliament;
- c) To set out procedures for agents with respect to the collection of roads and fuel tolls for the purpose of the Fund;
- d) To ensure full collection and transfer of collected roads and fuel tolls to the Fund's account;
- e) To develop and review periodically the formula for allocation and disbursement from the Fund to road agencies and advise the roads Minister accordingly;
- f) To recommend to the roads Minister an allocation of funds for road agencies to undertake road management at a level that is suitable and affordable;
- g) To disburse funds from the Fund to road agencies;
- h) To ensure that the operations of road agencies and the Fund are technically and financially sound;
- i) To monitor the use of the funds disbursed to road agencies for the purpose of the objects of the Fund;
- j) To appoint the Roads Fund Manager and senior officers;
- k) To appoint, subject to approval by the Controller and Auditor General, an auditor or auditors to carry out the audit of the Fund;
- l) To make any other recommendations to the roads Minister as it considers necessary to enable the Board to achieve its objectives.

1.3 CORPORATE GOVERNANCE

The Board is governed under a well-established Board of Directors that is entrusted with the oversight role on the affairs related to management of the Fund. The RFB Secretariat is responsible for the day-to-day operations of the Roads Fund Board of Directors.

During the period under review, there was no reported case of conflicting interest among Board members or the management team.

1.4 COMPOSITION AND APPOINTMENT OF THE RFB BOARD OF DIRECTORS

The Road and Fuel Tolls Act, CAP 220 prescribe the composition and appointment of members of the Board. The Board of Directors consists of nine members. As stipulated in the Act, four members from the public sector and five from the private sector.

The composition of the Board is as follows:

- (a) Chairman
- (b) Permanent Secretary, in the Ministry responsible for Roads
- (c) Permanent Secretary in the Ministry responsible for Financing
- (d) Permanent Secretary, in the Ministry responsible for Local Government
- (e) A Senior Public Servant not below the rank of Director
- (f) Four road user Representatives appointed by the Roads Minister from among the following sectors, institution, or association:
 - (i) The road transport industry
 - (ii) The Tourism Industry
 - (iii) The Tanzania Chamber of commerce, Industries and Agriculture
 - (iv) The Federation of Co-operatives
 - (v) Any other organisation of road users with no potential conflict of interest with the Fund.

The table below indicates Board Members who served during the reporting period.

Table 11: RFB Members and the Secretary Served in FY 2016/2017

S/N	NAME	POSITION	INSTITUTION	NO. OF MEETINGS ATTENDED (OUT OF 8)
1	Mr. Joseph O. Haule	Chairman	Private Sector	8
2	Eng. Musa I. Iyombe	Member	Permanent Secretary – President’s Office Regional Administration Local Government (PO-RALG)	7
3	Mr. Doto M. James	Member	Permanent Secretary – Ministry of Finance and Planning	8
4	Eng. Joseph M. Nyamhanga	Member	Permanent Secretary – Ministry of Works, Transport and Communication (MoWTC)	7
5	Eng. Ven K. Ndyamukama	Member	Director of Roads – MoWTC	8
6	Mr. Renatus B. Fulgence	Member	Representing Tanzania Truck Owners Association	5
7	Ms. Agnes S. Namuhisa	Member	Representing Tanzania Federation of Co-operatives	7
8	Mr. Leopold B. Kabendera	Member	Representing Tanzania Association of Tour Operators	8
9	Eng. Peter D. Chisawillo	Member	Representing Tanzania Chamber of Commerce, Industry and Agriculture	6
10	Mr. Eliud T. Nyauhenga	Secretary	Ex-Officio	8

During the financial year, the Board members conducted four ordinary meetings and four special meetings to review, among other things: policy matters and performance of the Board and road agencies in relation to the Fund. The meetings were held in accordance with the Road and Fuel Toll Act CAP 220 that require the Board of Directors to meet at least four times during the financial year to give guidance for the operations of the Board and provide requisite policy and direction on various issues.

The Board continued to conduct its affairs through three Committees, namely: the Technical and Finance Committee (TFAC); The Audit and Risk Management Committee (ARMC); and Human Resources, Employment and Discipline Committee (HREDC). Members who served the Committees during the review period are listed in the tables below:

Table 12: TFC Members

	NAME	POSITION	NO. OF MEETINGS ATTENDED (OUT OF 8)
1	Eng. Peter D. Chisawillo	Chairman	7
2.	Eng. Musa I. Iyombe	Member	7
3.	Mr. Doto M. James	Member	7
4.	Eng. Ven K. Ndyamukama	Member	8
5.	Mr. Leopold B.Kabendera	Member	8

Table 13: ARMC Members

	NAME	POSITION	NO. OF MEETINGS ATTENDED (OUT OF 4)
1.	Mr. Renatus B. Fulgence	Chairman	3
2.	Eng. Musa I. Iyombe	Member	4
3.	Eng. Joseph M. Nyamhanga	Member	4
4.	Ms. Agnes S. Namuhisa	Member	4

Table 14: HREDC Members

	NAME	POSITION	NO. OF MEETINGS ATTENDED (OUT OF 5)
1.	Mr. Leopold B.Kabendera	Chairman	5
2.	Eng. Ven K. Ndyamukama	Member	5
3.	Ms. Agnes S. Namuhisa	Member	5
4.	Eng. Peter D. Chisawillo	Member	5

1.5 ROADS FUND BOARD MANAGEMENT

The Staff who served in the RFB Management during the reporting period are as shown below:

Table 1 5: RFB Management Team

	NAME	DESIGNATION
1.	Mr. Eliud T. Nyauhenga	Roads Fund Manager
2.	CPA. Anna T. Masaro	Acting Deputy Manager - Finance and Administration
3.	Eng Rashid S. Kalimbaga	Deputy Manager - Technical Services
4.	CPA. Kukwe G. Nyabusalo	Acting Deputy Manager - Resource Mobilization
5.	CPA. Ayub James	Chief Internal Auditor
6.	Mr. Abdallah A. Mtey	Head of Procurement Management Unit
7.	Mr. Emmanuel G. Mwakajinga	Head of Information Communication Technology Unit

1.6 RISK MANAGEMENT AND INTERNAL CONTROLS

During the year under review, the Management took measures to reinforce the existing internal controls with a view to make them effective and robust for smooth operations and achievement of the Board's objectives. The measures taken include: establishment of Risk Management System Framework in line with the guidelines issued by the Ministry of Finance and Planning; and instituting of various internal controls - including the Internal Audit functions to mitigate the organizational risks. The measures were implemented in order to fulfil its oversight role and ensure the existence of efficient and effective internal control framework. The sub-sections below elaborate key elements of the internal control.

1.6.1 Relevant legislations

Relevant legislations include the Public Finance Act 2001, Public Procurement Act 2011, Public Audit Act 2008, Budget Act No.11 of 2015, and Road and Fuel Tolls Act, CAP 220.

1.6.2 Delegation

The Board has delegated execution of day-to-day operations to the Management. There is a clear organization structure, detailing lines of authority.

1.6.3 Internal Audit

An Internal Audit Unit has been established to comply with good corporate governance and growth of the Boards' activities. The Unit assesses risks, reviews controls and ensures recommendations to improve controls are implemented by the Management.

1.6.4 Competence

Competent staff is recruited through transparent process. Performance appraisal is done to identify training needs. Training is conducted both in-house and externally, to enhance staff skills and competence.

1.6.5 Budgets

The annual budgets are derived from the Strategic Plan of the Board. Detailed annual budgets are prepared by the Management and are reviewed by the Technical and Finance Committee before they are approved by the Board of Directors.

1.6.6 Risk Register

The RFB Management recognizes risk management as an integral part of the sound management system. It therefore, ensures that effective risk management is embedded in all management processes. This has been achieved during the review period through adoption of the Enterprise Wide Risk Management Systems (ERMS), which enables the management to effectively and efficiently deal with uncertainties and associated risks and opportunities, review risk register, regulations and policies.

1.6.7 Operational Manuals

These are operational guiding tools which have been developed internally to describe in detail the processes and systems that are used by the staff in their day to day operations.

1.7 Related Party Transactions

Related party transactions are dealt with at arm's length in the normal course of business and on terms and conditions similar to those applicable to other customers. Related party transactions are remuneration to Board members and key management personnel during the year ending 30th June 2017. The related party transactions are as shown below in millions:

	Transaction	TZS (mil)
1	Board expenses	215,414
2	Directors' fee	55,000
3	Management remuneration	630,876

1.8 Overview of Board's Operations

The main responsibilities of the Board include ensuring full collection of revenue through Collecting Agencies, disbursement of funds to implementing agencies and monitoring of fund utilisation. In addition, the Board provides operational planning guidelines to the Implementing Agencies. To ensure adherence to the operational plans, the Board enters into performance agreements with the Agencies.

During the FY 2016/17 the Board carried out its activities in accordance with the approved plan and budget. The Board performed preventive technical audit for 25 regions and conducted various in-house monitoring of both road works and revenue. The Board nurtured its human resource by filling vacant positions, conducting staff training, meetings, workshops and seminars in order to equip staff with necessary skills and knowledge that enhanced attainment of the Board's objectives.



Picture 1 1: Technical Auditor verifying road width during Preventive Technical Audit

During the year under review, the Board's Office was relocated to Dodoma following completion of the construction of its office building at Njedengwa Investment area in Dodoma.

1.8.1 Financial Performance

The approved budget for the FY 2016/17 was TZS 832.349 billion. The budget was financed by revenue from Fuel levy and Transit charges. Out of the estimated revenue; TZS 755.688 billion [equivalent to 94 % of the estimates] was collected and disbursed to Implementing Agencies.

1.8.2 Roads Fund Performance Based on Strategic Plan Key Indicators

The RFB Five Years Strategic Plan covers the period from 2016/17 – 2020/21. The Board prepares its annual operational plan in line with the Strategic Plan to ensure that the Board's Strategies are easily monitored and the achievement evaluated in relation to the pre-set objectives. Based on the performance indicators, the following are some of the strategic achievements during the review period:

Table 1 6: Performance achievement of the Board

	Performance Indicators	Target (%)	Achievement (%)
1.	Increase Collection Roads & Fuel Tolls	10	6
2.	Disbursement of Fund to Implementing agencies	100	100
3.	Monitoring utilization of Fund for 25 regions in Tanzania Mainland	25	25
4.	Meet Road Maintenance needs	76	49

In the FY 2016/17 the Fund increased the collections by 6 percent. A total amount of TZS 755,688 million was collected against a budget of TZS 832,349 million. The increase was less than the planned projection of 10% increase from the base year (i.e. FY 2015/16). This was due to unsatisfactory imports of fuel compared to the Fund's forecasts as reflected in respective year's budget. Table 1-7 explains the cause for the shortfalls. Also, Table 1-6 above shows insufficiency of funds to meet roads maintenance needs by 51%. This means the collections for the year were only enough to maintain less than half of the roads network. This is the challenge to the Board to keep on working on the strategies to increase revenue sources and strengthen controls in collections.

Table 1 7: Fuel Imports and Fuel levy Budget

Period	2012/13	2013/14	2014/15	2015/16	2016/17
Total Imports of Diesel & Petrol (mil. Litres)	2,026.18	2,395.20	1,998.91	2,184.13	2,218.66
% Change in Fuel imports		18%	-17%	9%	2%
Fuel Levy Budgets (TZS' mil.)	429.66	504.31	541.90	727.96	832.35
% Change in annual budgets		17%	7%	34%	14%

1.8.3 Assessment of Roads Fund Performance Based on RMI Indicators

The primary objective of the Roads Fund is to finance the road maintenance and related administrative costs. The performance of the Fund is therefore assessed by how it solicits funds and meets these objectives using pre-set indicators.

In assessing the efficiency and effectiveness of the Board in relation to the Fund, the RMI indicators are considered together with the National Second Five-Year Development Plan .

The RMI indicators were used to assess the performance of the Fund in terms of the following criteria:

- (i) level of reforms measured by (a) share of Roads Fund to the Road users' charges and (b) share of Fuel Levy to Roads Fund;
- (ii) asset preservation measured by (a) coverage of periodic (b) routine maintenance needs (c) coverage of total maintenance needs; and
- (iii) Government commitment to reforms measured by share of annual disbursement against the budget.

On the other hand, the Five Year Development Plan II is used to assess the alignment of the Fund to the National goals.

Table 1 8: Performance Indicators for the Roads Fund

S/ No.	Performance Indicator	Performance Target(s)	Achieved Target in Year 2016/17	Means of Verification	Objective(s)
1	Percentage share of Roads Fund to Road Users' Charges	100% share	74.89%	Annual reports	To assess level of reforms as per Road Maintenance Initiative (RMI)
2	Percentage share of fuel levy to the Roads Fund	100% share	97.16%	Annual reports	To assess level of reforms as per RMI
3	Percentage coverage of routine maintenance needs	100% coverage	71.90%	Annual reports	To assess level of asset preservation
4	Percentage coverage of periodic maintenance needs	100% coverage	35.20%	Annual reports	To assess level of asset preservation
5	Percentage coverage of total maintenance needs	100% coverage	49.40%	Annual reports	To assess level of maintenance funding
6	Percentage of annual disbursed funds compared to budgets	100% of annual budget disbursed	91%	Annual financial statement	To assess fulfilment of annual maintenance budget

Source: Roads Fund Board

(i) Share of Roads Fund to Road User Charges

The indicator measures the Government readiness to transfer taxes and levies paid by road users for roads maintenance. Currently revenue sources accrue to the Roads Fund (RF) is fuel levies, transit charges and overloading fees. The Road Users' charges (RUC) consist of all taxes, levies and charges paid by the virtual of using roads or for virtues that will use roads. The performance of RF in relation to RUC is shown in Table 1-9 below in TZS billions:

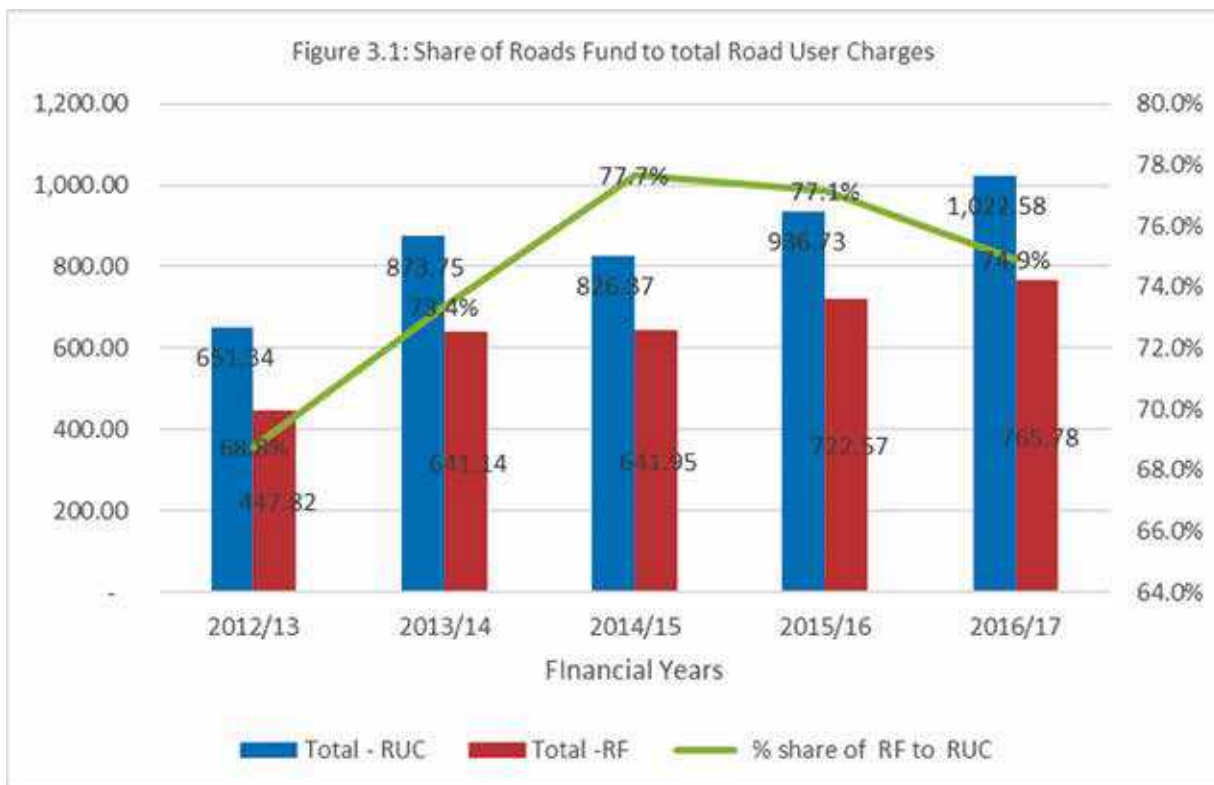
¹ Road Maintenance Initiative for Sub-Saharan African Countries

Table 19: Total Roads Fund and Total Road User Charges

S/N	SOURCE	2012/13	2013/14	2014/15	2015/16	2016/17
1	Fuel levy	434.47	626	623.18	705.09	744.1
2	Transit charges	5.41	6.52	7.9	9.43	11.58
3	Overloading Fees	7.94	8.62	10.87	8.05	10.1
	Total Roads Fund (RF)	447.82	641.14	641.95	722.57	765.78
4	Other Motor vehicle taxes	203.53	232.62	184.42	214.16	256.8
	Total Road Users' Charges (RUC)	651.34	873.75	826.37	936.73	1,022.58
	% share of RF to RUC	68.8	73.4	77.7	77.14	74.89

Source: Roads Fund Board and TRA

The Roads Fund share to all Road User charges is 75 percent. This implies that there are other road related charges that are not meant for the Roads Fund activities. These charges include Motor Vehicle Registration Fees and Motor Vehicle License Fees, which are paid to the Consolidated Fund. The percentage share of Roads Fund to Total User Charges was below 70 percent in 2012/13 and increased to 73.4 percent in 2013/14 due to the increased rate of fuel levy from TZS 200/= to TZS 263/= per litre of diesel or petrol. The ratio stabilized for two years of 2014/15 and 2015/16 and dropped in 2016/17 implying unsatisfactory performance of Roads Fund compared to other user charges in terms of collections. Figure 1-1 shows the performance of RF against RUC and its percentage.

Figure 1: Share of Roads Fund to Total User Charges

Source: Roads Fund Board

(ii) **Share of Fuel Levy to Roads Fund**

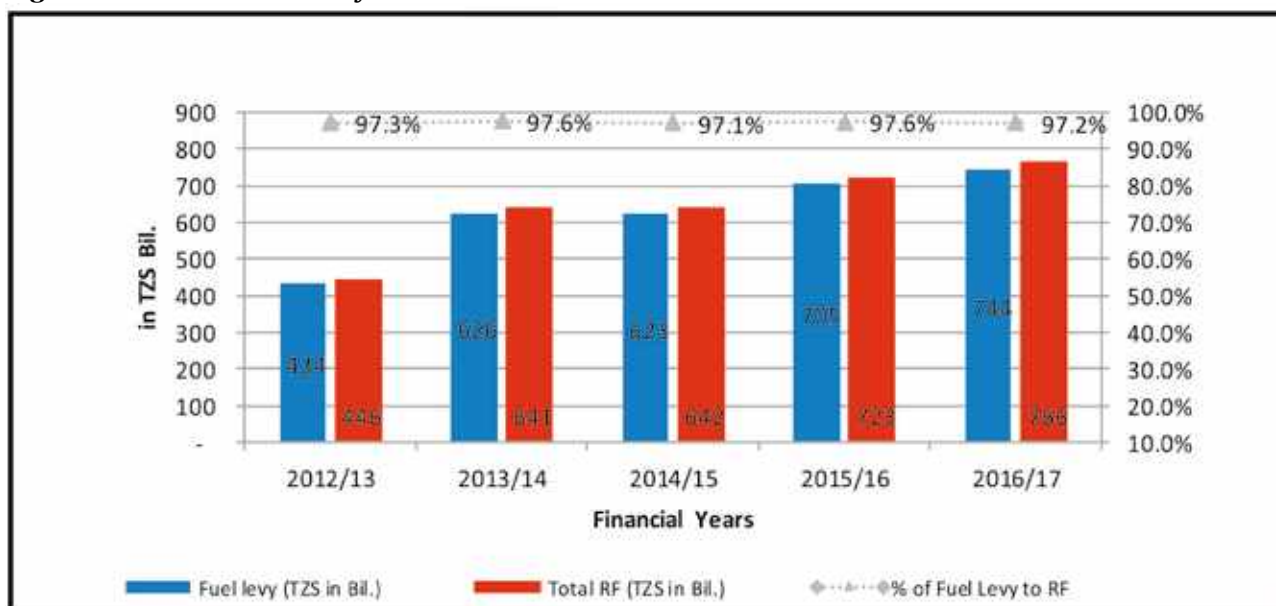
This indicator measures the degree of fund's dependency on fuel levy. Table 1-10 below shows performance of each source of revenue of the Roads Fund (in TZS billions). Fuel levy is the dominant source that shares more than 97 percent of the total Roads Fund.

Table 1 10: Share of fuel levy to Roads Fund

S/No	SOURCE/FY	2012/13	2013/14	2014/15	2015/16	2016/17
1	Fuel levy	434.47	626.00	623.18	705.09	744.10
2	Transit charges	5.41	6.52	7.90	9.43	11.59
3	Overloading Fees	7.94	8.62	10.87	8.05	10.17
	Total Revenue (RF)	447.82	641.14	641.95	722.57	765.86
	% of Fuel Levy to RF	97.02	97.64	97.08	97.58	97.16

Source: TRA & Roads Funds Board

Figure 1-2 below translates Table 1-10 and shows that the share of fuel levy as percentage of total Roads Fund is trendily constant, implying that the performance of the RF is constantly dependent on fuel levy collection.

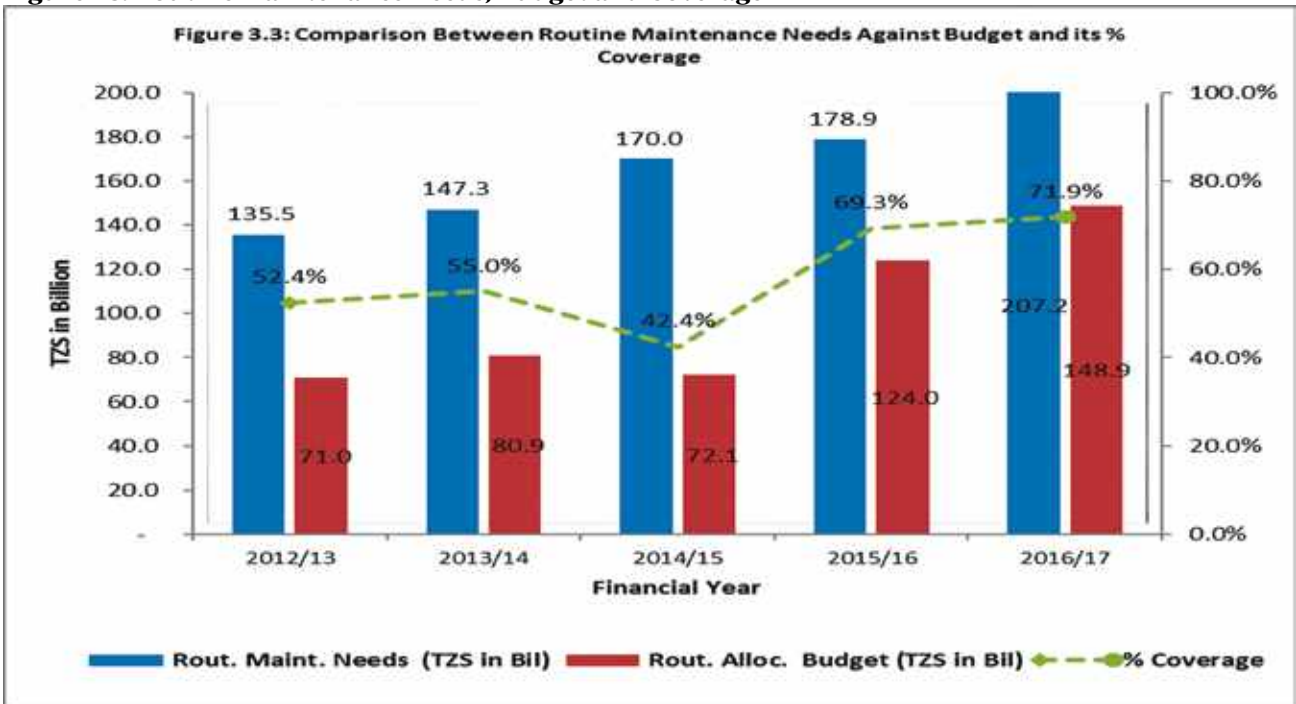
Figure 1 2: Share of Fuel Levy to total Roads Fund

Source: Roads Funds Board

(iii) Coverage of Routine Maintenance Needs

Routine Maintenance is a critical intervention in road asset preservation as it is done continuously on annual basis. This indicator assesses the level of road asset preservation by comparing routine maintenance requirements against annual budget allocated for the purpose. Figure 1-3 compares between routine maintenance needs, budget and the percentage coverage of routine maintenance requirements.

Figure 13: Routine Maintenance Needs, Budget and Coverage



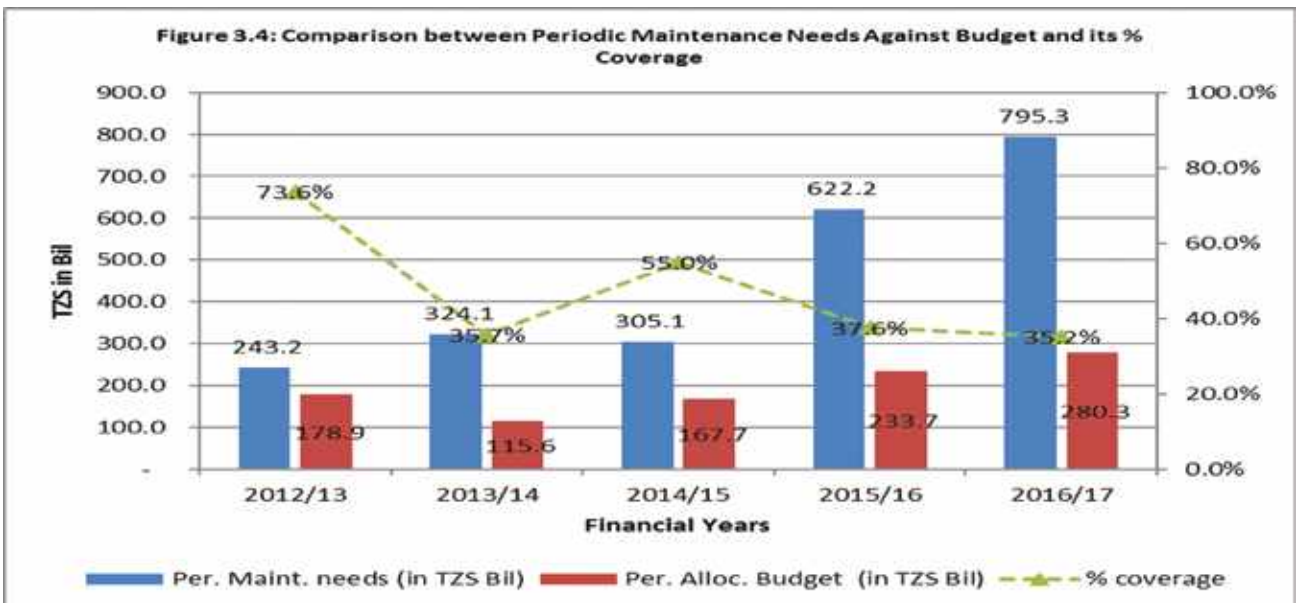
Source: Roads Fund Board, TANROADS and PORALG

As for other previous years, in 2015/16 routine maintenance needs far exceeded the budget allocated. However, the allocated budget has increased from TZS 124 bil. in 2015/16 to TZS 148.9 bil. in 2016/17 but covering only 72 percent of maintenance requirements (which increased from TZS 179 billion in 2015/16 to TZS 207 bil. in 2016/17).

(iv) Coverage of Periodic Maintenance Needs

Periodic Maintenance is another critical intervention in road asset preservation; it is carried out in intervals of several years depending on design of pavement to prolong the life span of the road. This indicator assesses the level of asset preservation by comparing periodic maintenance needs against its budget. Figure 1-4 shows comparison between periodic maintenance needs and the allocated budget and its percentage coverage.

Figure 14: Periodic Maintenance Needs against Budget and its % coverage



Source: Roads Fund Board, TANROADS and PORALG

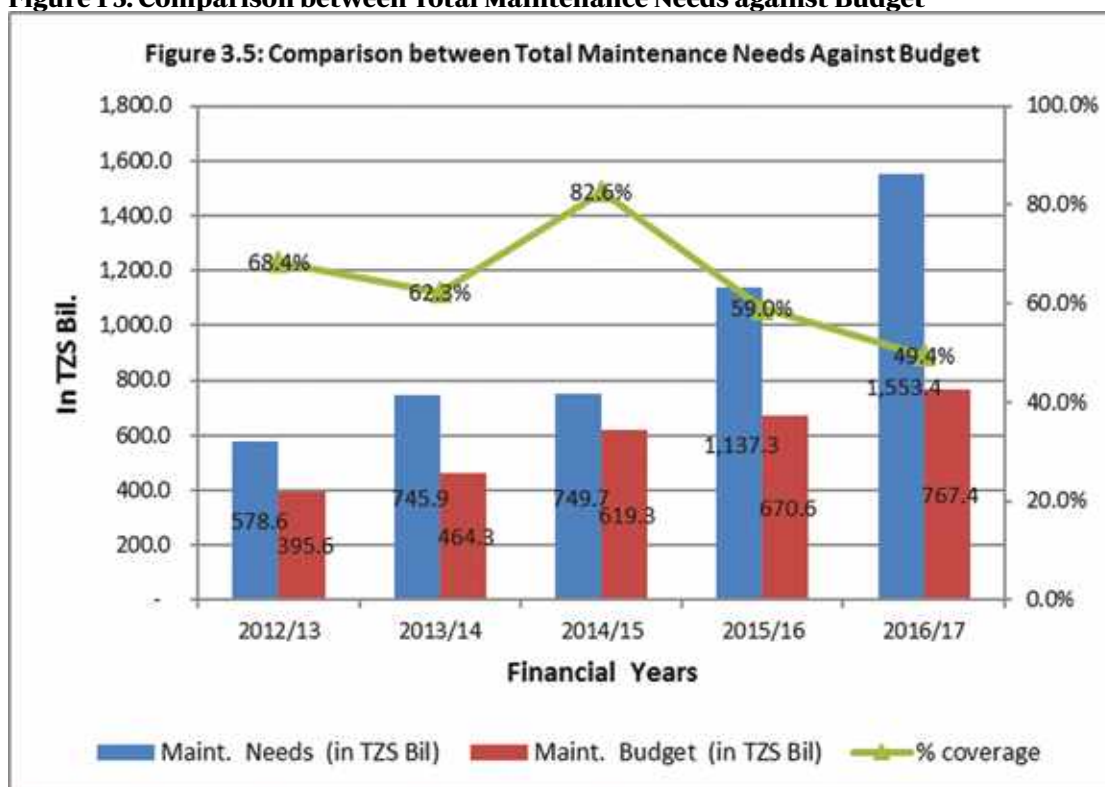
² Activities done under routine maintenance budget include grass cutting, drain cleaning, culvert and bridge cleaning and maintenance, road furniture and bridge guide rails maintenance, paved road patching, edge repair, crack sealing, and line remarking, and also unpaved road grading, shaping, and pothole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

The coverage of periodic maintenance has been erratic without fully covering periodic maintenance requirements in any given year. The percentage coverage decreased from 37.6 percent in FY 2015/16 to 35.2 percent in 2016/17 implying that the periodic maintenance was less considered.

(v) **Coverage of Total Maintenance Needs**

This indicator assesses the level of overall asset preservation costs. It covers aspects of spot improvement, emergencies, bridge maintenance, supervision related costs, periodic and routine maintenance. Figure 1-5 below compares the total maintenance needs against allocated budget and percentage coverage over the past five years.

Figure 15: Comparison between Total Maintenance Needs against Budget



Source: PORALG and TANROADS

The figure depicts that for the year 2016/17, total maintenance needs was allocated a budget below 50 percent of the requirement.

(vi) **Disbursed Funds Compared to Approved Budgets**

The objective of this performance indicator is to assess Government commitment to ensure that the approved annual maintenance budgets is implemented.

In 2016/17, 91 percent of the budget was disbursed to implementing agencies for road works as shown in Table 1-11 below. This was an increase from 86 percent of budget which was disbursed in 2015/16. This indicates the Government's commitment to ensure collections for the Fund are used for the intended activities.

Table 1-11: Annual Disbursed Funds and Approved Budgets

S/N	ACTIVITY/FY	2012/13	2013/14	2014/15	2015/16	2016/17
1	Annual Budget (B)	429.7	504.3	541.9	727.96	832.35
2	Annual Collection (c)	447.8	641.1	642.4	714.52	755.69
	% of collections to budget	104.2	127.1	118.5	98.2	91
3	Disbursement (D)	429.7	504.3	541.9	629.25	755.69

Source: Roads Fund Board

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

1.9 EMPLOYEE'S WELFARE

The number of employees of the Board during the year was 21 staff. The relationship between the management and employees continued to be good. There were no unresolved complaints received by management from the employees during the year. During the period in question, two employees were recruited and one employee retired.

1.10 SOLVENCY

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

1.11 FUTURE PLANS

The Board's future plans are guided by the Strategic Plan 2016/17–2020/21; which focuses on six objectives namely:

- a) Funding adequacy for road maintenance enhanced;
- b) Allocation and disbursement of funds to Implementing Agencies improved;
- c) Monitoring and evaluation of revenue collection and funds utilisation enhanced;
- d) Capacity of RFB to undertake its mandate function improved;
- e) HIV/AIDs infections reduced and support services improved;
- f) National anti-corruption strategy enhanced; sustained and effectively implemented.

1.12 POST BALANCE SHEET EVENTS

The Directors are not aware of any significant matters arising after the end of the financial year, that would otherwise affect the financial statements which would significantly affect the financial position of the Roads Fund Board and results of its operations; as laid out in the financial statements.

1.13 SERIOUSLY PREJUDICIAL

During the year ended 30th June, 2017 there was no any serious prejudicial matters worth reporting.

1.14 ACCOUNTING POLICIES

Note 2 provides a summary of significant accounting policies of the financial statements.

1.15 CAPITAL MANAGEMENT

The RFB capital includes Capital fund, Accumulated surplus, Revaluation Surplus and Development Partners support. The primary objective of the Board's capital management is to ensure that it maintains a strong assets base in order to support its objectives and maximize achievement of stakeholders' expectations. During the FY 2016/17 this objective remained intact.

1.16 AUDITORS AND AUDIT REPORTS

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, the Public Audit Act No. 11 of 2008 and the Road and Fuel Tolls Act CAP 220. The Audited Financial Statements and the Auditors Opinion are as here under:

BY THE ORDER OF THE BOARD



Signature
Chairman of Roads Fund Board

30th March, 2018

Date

1.17 AUDITORS' OPINION ON FINANCIAL STATEMENTS OF RFB

In addition to the above performance assessment, the National Audit Office conducted an audit of financial statements of RFB for the Financial Year and issued professional opinions on the presented Financial Statements as presented below:

2.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

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

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

Unqualified Opinion

I have audited the financial statements of Roads Fund Board which comprise the statement of financial position as at 30th June, 2017, and the statement of financial performance, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies set out from page 22 to 33.

In my opinion, the accompanying financial statements of the Roads Fund Board are prepared in all material respects, in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and in the manner required by the Public Finance Act, 2001 revised 2004.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of Roads Fund Board in accordance with the ethical requirements that are relevant to my audit of the consolidated financial statements in United Republic of Tanzania and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

In view of my responsibility on the procurement legislation and taking into consideration the procurement transactions and processes I have reviewed as part of this audit, I state that 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.

The engagement partner on the audit resulting in this independent auditor's report is the Controller and Auditor General.



Wendy W. Massoy
Ag. CONTROLLER AND AUDITOR GENERAL

August, 2018



National Audit Office of Tanzania,
P.O. Box 9080,
11101 Dar es Salaam, Tanzania.
Tel: 255 (022) 2115157/8
Fax: 255 (022) 2117527
Email: ocag@nao.go.tz

STATEMENT OF THE GOVERNING BOARD OF DIRECTORS' RESPONSIBILITIES

The Governing Board is required by the Roads Fund Financial regulation to ensure maintenance 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.

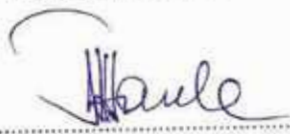
The Board is also required to prepare Financial Statements for each Financial year that gives a true and fair view of the state of affairs of the Board its operations and sources and applications of funds obtained during the period.

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 2017. 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.

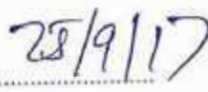
Nothing has come to the attention of the Governing Board to indicate the RFB will not remain a going concern for a foreseeable future from the date of this statement.

BY ORDER OF THE BOARD



.....

CHAIRMAN OF THE 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 2017, 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 and Administration

NBAA Membership No.: GA 6071

Date: 25-09-2017

Roads Fund Board
Statement of Financial Position
For the Twelve Months Ending June 30, 2017

Description	Note	June 2017 (TZS)	June 2016 (TZS)
CURRENT ASSETS			
Cash and Cash equivalents	26	114,804,400,780	18,142,908,465
Roads Fund Receivables	27	418,640,920,625	429,696,593,819
Staff Loans & Advances		99,299,809	143,804,242
Other Receivables	28	366,096,141	71,265,569
		533,910,717,355	448,054,572,095
NON CURRENT ASSETS			
Property, Plant & Equipment	29	5,709,090,894	4,014,570,875
TOTAL ASSET		538,768,267,509	452,069,142,970
CURRENT LIABILITIES			
Funds Due to Implementing Agencies	30	468,405,140,728	360,520,000,765
Other Payables	31	391,157,069	341,473,419
Other Provisions and Accruals	32	2,121,438,851	4,873,993,290
TOTAL LIABILITIES		470,917,736,648	365,735,467,473
NETASSETS		68,702,071,600	86,333,675,496
CAPITAL AND RESERVES			
Contributed Capital	33	56,842,632	56,842,632
Development Partners Support	34	99,287,978	99,287,978
Revaluation Surplus	29	290,656,535	-
Accumulated Surplus	35	68,255,284,456	86,177,544,887
		68,702,071,600	86,333,675,496

NOTES 1-49 FORM PART OF THESE ACCOUNTS

Name: Joseph O. Haule

Title: Chairman -Roads Fund Board

Signature:



Date:

25/9/17

Name: Eliud T. Nyauhenga

Title: Road Fund Manager

Signature:



Date:

25/9/2017

Roads Fund Board
Consolidated Statement of Comprehensive Income
For the Twelve Months Ending June 30, 2017

Description	Note	June 2017 (TZS)	June 2016 (TZS)
OPERATING REVENUE			
Fuel Levy		744,100,055,085	705,091,411,698
Transit Charges		11,588,549,889	9,491,496,859
Overloading and Abnormal fees		10,976,051,955	8,077,246,937
Road Reserve Fees		10,000,578,282	
Interest Income	3	762,057,966	818,898,313
Other Income	4	284,678,382	278,491,547
Donor Support Fund	5	92,806,884,046	26,114,158,400
Total Operating Revenue		870,518,855,605	749,871,703,754
DISBURSEMENTS TO IMPLEMENTING AGENCIES			
Tanzania National Roads Agency		532,661,920,411	454,675,709,376
P's office Regional Administration and local Govt		278,608,273,723	251,575,146,446
Special allocation-TANROADS	6	8,374,913,959	5,835,101,881
Special allocations-Councils	7	2,537,420,752	20,000,000
Special allocations-MQWTC	8	700,000,000	138,898,077,459
Ministry of Works		53,616,927,576	50,519,523,266
Fund Transferred to Other Gov. Institution	9	5,620,246,740	
Total Disbursements to Implementing Agencies		882,119,703,161	901,523,558,429
ROADS FUND BOARD ADMINISTRATION EXPENDITURE			
Personal Emoluments	10	898,414,310	861,556,781
Employment Allowances	11	1,017,463,262	980,249,280
Employer contribution to Social security	12	65,803,950	44,075,520
Employer contribution to Staff welfare	13	95,408,400	164,070,820
Communication, Information, Supplies and Services	14	157,702,463	179,471,076
Office Supplies and Services	15	129,309,636	112,110,829
Rental Expenses	16	157,963,485	469,616,534
Training, Seminars and Consultative meetings	17	85,801,348	56,575,855
Travel and Subsistence	18	137,830,095	166,786,380
Utilities	19	38,141,601	34,996,733
Board Meetings ,Stakeholders and Other Board Expenses	20	694,318,973	590,322,913
Other Goods & Services	21	251,544,000	44,015,260

Maintenance of Motor Vehicle, Office Equipment & Building	22	145,286,899	590,938,526
Depreciations	29	454,785,471	217,159,351
Impairment Loss	29	629,131,832	-
Loss on disposal of non-current assets		36,875	-
Audit Expenses	23	887,445,870	1,376,209,480
Planning & Monitoring Expenses	24	447,302,973	272,808,542
Bank Charges	25	27,721,432	19,166,694
Total roads fund administration expenditure		6,321,412,875	6,180,130,574
Total roads fund operating expenditure		888,441,116,036	907,703,689,004
SURPLUS/DEFICIT FROM OPERATING ACTIVITIES		(17,922,260,431)	(157,831,985,250)

NOTES 1-49 FORM PART OF THESE ACCOUNTS

Name: Joseph O. Haule Title: Chairman -Roads Fund Board Signature:  Date: 28/9/17

Name: Ellud T. Nyauhenga Title: Road Fund Manager Signature:  Date: 25/9/2017

Roads Fund Board
Road Fund Disbursement
Statement of Comprehensive Income
For the Twelve Months Ending June 30, 2017

Description	Note	June 2017 (TZS)	June 2016 (TZS)
OPERATING REVENUE			
Fuel Levy		744,100,055,085	705,091,411,698
Transit Charges		11,588,549,889	9,491,496,859
Overloading and Abnormal fees		10,976,051,955	8,077,246,937
Road Reserve Fees		10,000,578,282	
Interest Income	3	755,826,592	818,778,313
Donor Support Fund	5	92,806,883,996	26,114,158,400
Total Operating Revenue		870,227,945,799	749,593,092,207
DISBURSEMENTS TO IMPLEMENTING AGENCIES			
Tanzania National Roads Agency		532,661,920,411	454,675,709,376
President's office Regional Administration and local Govt		278,608,273,723	251,575,146,446
Special allocation-TANROADS	6	8,374,913,959	5,835,101,881
Special allocations-Councils	7	2,537,420,752	20,000,000
Special allocations-MOWTC	8	700,000,000	138,898,077,459
Special allocations-RFB		2,325,077,150	162,618,000
Ministry of Works		53,616,927,576	50,519,523,266
Fund Transferred to Other Gov. Institution	9	5,620,246,740	
Roads Fund Board Administration		6,701,546,733	6,260,535,120
Total Operating Expenditure		891,146,327,044	907,946,711,549
SURPLUS/DEFICIT FROM OPERATING ACTIVITIES		(20,918,381,245)	(158,353,619,342)

NOTES 1-49 FORM PART OF THESE ACCOUNTS

Name: Joseph O. Haule

Title: Chairman -Roads Fund Board

Signature:



Date:

25/11/17

Name: Eliud T. Nyauhenga

Title: Road Fund Manager

Signature:



Date:

25/9/2017

**Roads Fund Board
Roads Fund Administration
Statement of Comprehensive Income
For the Twelve Months Ending June 30, 2017**


Description	Note	June 2017 (TZS)	June 2016 (TZS)
OPERATING REVENUE			
Roads Fund Allocation		9,026,623,883	6,423,153,120
Interest Income	2	6,231,374	120,000
Other Income	3	284,678,432	278,491,547
Total Operating Revenue		9,317,533,689	6,701,764,667
ROADS FUND BOARD OPERATING EXPENDITURE			
Personal Emoluments	10	898,414,310	861,556,781
Employment Allowances	11	1,017,463,262	980,249,280
Employer Contribution to Social security	12	65,803,950	44,075,520
Employer Contribution to Staff welfare	13	95,408,400	164,070,820
Communication, Information, Supplies and Services	14	157,702,463	179,471,076
Office Supplies and Services	15	129,309,636	112,110,829
Rental Expenses	16	157,963,485	469,616,534
Training, Seminars and Consultative meetings	17	85,801,348	56,575,855
Travel and Subsistence	18	137,830,095	166,786,380
Utilities	19	38,141,601	34,996,733
Board Meetings , Other Board Expenses	20	694,318,973	590,322,913
Other Goods & Services	21	251,544,000	44,015,260
Maintenance of Motor Vehicle, Office Equipments & Building	22	145,286,899	590,938,526
Depreciations	29	454,785,471	217,159,351
Impairment loss	29	629,131,832	-
Loss on disposal of non-current assets		36,875	-
Audit Expenses	23	887,445,870	1,376,209,480
Planning & Monitoring Expenses	24	447,302,973	272,808,542
Bank Charges	25	27,721,432	19,166,694
Total Roads Fund Board Administration Operating Expenditure		6,321,412,875	6,180,130,575
SURPLUS/DEFICIT FROM OPERATING ACTIVITIES		2,996,120,814	521,634,092

NOTES 1-49 FORM PART OF THESE ACCOUNTS

Name: Joseph O. Haule

Title: Chairman -Roads Fund Board

Signature:

 Date: 25/9/17

Name: Eliud T. Nyauhenga

Title: Road Fund Manager

Signature:


 Date: 25/9/2017

Road Fund Board
Statement of Changes in Net Asset/Equity
For the Twelve Months Ending June 30, 2017

	Contributed Capital	Development Partners Support	Accumulated Surplus	Revaluation Reserves	Total
AT JULY 01, 2016	56,842,632	99,287,978	86,177,544,886	-	86,333,675,496
Changes in accounting Policy				-	-
Prior year Adjustment				-	-
Restated Balance	56,842,632	99,287,978	86,177,544,886	-	86,333,675,496
CHANGES IN EQUITY FOR 2016/17					
Revaluation				290,656,535	290,656,535
Surplus(Note 25)					
Surplus/(deficit) for the year			-17,922,260,431		-17,922,260,431
AT JUNE 30, 2017	56,842,632	99,287,978	68,255,284,455	290,656,535	68,702,071,600

NOTES 1-49 FORM PART OF THESE ACCOUNTS

Name: Joseph O. Haule Title: Chairman -Roads Fund Board Signature:  Date: 28/9/17

Name: Eliud T. Nyuhenga Title: Road Fund Manager Signature:  Date: 25/9/2017

Roads Fund Board
Statement of Cash Flow
For the Twelve Months Ending June 30, 2017

Description	Notes	June 2017 (TZS)	June 2016 (TZS)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Fuel Levy and Transit charges		772,600,582,604	599,658,007,425
Overloading and Abnormal fees		6,771,056,097	8,077,246,937
Road Reserve Fees		9,149,037,543	-
Interest received	3	762,057,966	818,898,312
Miscellaneous income		1,900,000	
Donor support Fund	5	92,806,883,996	26,114,158,400
Payments			
Payments to Employees		(2,033,246,722)	(2,049,952,401)
Payments for Good and services supplied		(3,091,237,675)	(2,825,008,431)
Payment for Board Members and Board Meetings Payment for stakeholders, Consultancy meetings & other Meetings	20	(371,392,380)	(291,985,667)
Loans given to Employees		-	(42,499,999)
Disbursement for Special roads works	36	(10,789,067,924)	(5,158,001,644)
Disbursement to implementing agencies	37	(714,699,236,678)	(595,028,329,931)
Disbursement in respect of DFID Funds	38	(15,296,409,842)	(28,729,049,036)
Disbursement in respect of EU Funds	39	(30,127,660,440)	-
Disbursement in respect of USAID Funds	40	(457,705,000)	-
Disbursement to Other Govt. Institutions	9	(5,620,246,740)	-
Net Cash Flow from Operations		99,299,388,212	(245,146,719)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plants & Equipments	29	(2,487,817,661)	(2,197,673,190)
Advance payment Purchase of Motor Vehicle	41	(165,953,236)	-
Proceed on disposal of PPE		15,875,000	-
Net Cash Flow from Investing Activities		(2,637,895,897)	(2,197,673,190)
NET INCREASE (DECREASE) IN CASH		96,661,492,315	(1,952,526,471)
Net increase (Decrease) in Cash		96,661,492,315	(1,952,526,471)
Cash at Beginning of Period		18,142,908,465	20,095,434,936
CASH AND EQUIVALENTS AT END OF PERIOD	26	114,804,400,780	18,142,908,465

NOTES 1-49 FORM PART OF THESE ACCOUNTS

Name: Joseph O. Haule Title: Chairman -Roads Fund Board

Signature:  Date: 28/9/17

Name: Eliud T. Nyauhenga Title: Road Fund Manager


Signature:  Date: 25/9/2017


Roads Fund Board
Consolidated Statement of Comparison of Budget Vs Actual
For the Twelve Months Ending June 30, 2017

Description	Note	Original Approved Budget (TZS)	Reallocation/ Adjustments (TZS)	Revised/Final Budget (TZS)	Actual Amount (TZS)	Variance (TZS)
OPERATING REVENUE						
Fuel Levy		826,349,290,000	-	826,349,290,000	744,100,055,085	(82,249,234,915)
Transit Charges		6,000,000,000	-	6,000,000,000	11,588,549,889	5,588,549,889
Overloading fees		7,500,000,000	-	7,500,000,000	10,976,051,955	3,476,051,955
Road Reserves Funds		-	-	-	10,000,578,282	10,000,578,282
Interest income	2	-	-	-	762,057,966	762,057,966
Other income	4	266,903,382	-	266,903,382	284,678,382	17,775,000
Donor Support Fund	5	92,806,884,046	-	92,806,884,046	92,806,884,046	-
Total Operating Revenue		932,923,077,428		932,923,077,428	870,518,855,605	(62,404,221,823)
DISBURSEMENT TO IMPLEMENTING AGENCIES & OTHER GOVT INSTITUTIONS						
Tanzania National Roads Agency		565,827,084,649	-	565,827,084,649	532,661,920,411	33,165,164,238
P's office Regional Administration and local Govt		294,401,101,847	-	294,401,101,847	278,608,273,723	15,792,828,123
Special allocation-TANROADS	6	8,374,778,959	-	8,374,778,959	8,374,778,959	-
Special allocations-Councils	7	2,537,555,752	-	2,537,555,752	2,537,555,752	-
Special allocations-MoWTC	8	700,000,000	-	700,000,000	700,000,000	-
Ministry of Works		57,763,375,730	-	57,763,375,730	53,616,927,368	4,146,448,362
Fund Transferred to Other Govt. Institution	9	-	-	-	5,620,246,740	(5,620,246,740)
Total Disbursement to Implementing agencies and Other Govt. Institutions		929,603,896,937		929,603,896,937	882,119,702,953	47,484,193,983
ROAD FUND BOARD ADMINISTRATION EXPENDITURE						

Basic Salaries	988,420,400	(8,600,000)	979,820,400	879,909,910	99,910,490
Casual Labourers & Temporary Employees	7,200,000	16,182,900	23,382,900	18,504,400	4,878,500
Leave Travel	88,957,100	-15,010,000	73,947,100	63,654,000	10,293,100
Transport Allowances	320,245,560	-30,112,982	290,132,578	214,379,300	75,753,278
Housing Allowances	55,200,000	-10,380,000	44,820,000	39,720,000	5,100,000
Per Diems-Domestic	458,721,045		458,721,045	451,075,256	7,645,789
Extra Duty	149,850,000		149,850,000	117,191,120	32,658,880
Outfit Allowance	10,000,000	-8,500,000	1,500,000	0.00	1,500,000
Utilities	70,056,000		70,056,000	60,142,500	9,913,500
Per diems-Foreign	99,456,000	-6,000,000	93,456,000	30,426,386	63,029,614
NSSF Employer Contribution	17,222,762		17,222,762	12,872,700	4,350,062
PPF-Employer Contribution	34,282,998	-105,600	34,177,398	26,183,850	7,993,548
GEPF_Employer Contribution		105,600	105,600	105,600	0.00
Health Insurance Scheme	56,546,880		56,546,880	34,800,467	21,746,413
Gratuity Provision	148,800,000		148,800,000	57,639,434	91,160,566
LAPF Employer Contribution	18,040,313	-3,000,000	15,040,313	13,801,800	1,238,513
PSPF Employer Contribution	11,322,599	3,000,000	14,322,599	12,840,000	1,482,599
Telephone, Fax & Telegram	15,400,000		15,400,000	11,419,556	3,980,444
Postal Charges	3,600,000		3,600,000	2,416,270	1,183,730
Internet	44,040,000		44,040,000	40,951,294	3,088,706
Printing	47,700,000		47,700,000	45,313,837	2,386,163
Advertising	79,250,000		79,250,000	57,601,506	21,648,494
Periodicals & Newspapers	6,000,000		6,000,000	4,221,720	1,778,280
Annual Professional Fee	15,000,000		15,000,000	14,731,496	268,504
Food and Refreshments	40,100,000		40,100,000	24,199,289	15,900,711
Gifts, Prizes & Miscellaneous Donations	6,706,168		6,706,168	9,716,560	2,499,608
Office Cleaning & Upkeeping	20,820,000	5,510,000	12,216,168	17,515,015	7,684,985
Computer Accessories supplies	26,030,000	25,200,000	20,820,000	18,073,160	2,746,840
Stationery Supplies	176,601,600		26,030,000	25,835,062	194,938
Rental Expenses-Office Building	19,700,000	-35,000,000	141,601,600	141,283,135	318,465
Rent-Conference Facilities	3,600,000		19,700,000	13,371,350	6,328,650
Hire of Vehicles	91,900,000		3,600,000	3,309,000	291,000
Technical & Professional Training	135,134,400		91,900,000	71,069,852	20,830,148
Travelling-Local	48,000,000		135,134,400	133,535,942	1,598,458
Travelling-Foreign			48,000,000	4,294,153	43,705,847
Electricity	38,400,000		38,400,000	38,141,601	258,399

Professional/Consultancy Services	1,311,400,000	1,311,400,000	235,185,700	1,076,214,300
Honoraria	41,100,000	41,100,000	40,874,700	225,300
Burial Expenses	6,000,000	6,000,000	2,968,500	3,031,500
Insurance	7,000,000	7,000,000	0.00	7,000,000
Bank Charges	19,200,000	27,800,000	27,721,483	78,517
Miscellaneous expenses	4,100,000	4,100,000	2,756,900	1,343,100
Consultative/Stakeholders Meetings	276,010,000	276,010,000	275,323,863	686,137
Tender Board Expenses	65,375,000	65,375,000	47,602,730	17,772,270
Board Members -Per diems Local	27,000,000	27,000,000	26,902,240	97,760
Board Members -Per diems Foreign	66,000,000	66,000,000	39,076,035	26,923,965
Audit Expenses	1,750,000,000	1,750,000,000	887,445,870	862,554,130
Board Meetings	147,400,000	227,400,000	215,414,630	11,985,370
Planning & Monitoring Expenses	465,775,489	465,775,489	447,302,973	18,472,516
Other Board Expenses	110,250,000	110,250,000	89,999,475	20,250,525
Security services	19,800,000	19,980,000	13,601,400	6,378,600
Service & Repair-Technical Equipment's	67,200,000	67,200,000	49,520,494	17,679,506
Service & Repair-Vehicles & Mobile Equip	25,000,000	25,000,000	24,940,463	59,537
Service & Repair-Building	121,312,580	76,132,580	70,825,942	5,306,638
Diesel	25,277,000	35,277,000	29,748,830	5,528,170
Acquisition of Office Furniture	237,300,000	280,300,000	112,287,000	168,013,000
Acq. of Office Building	500,000,000	500,000,000	28,323,659	471,676,341
Acq. of Residential Building	760,000,000	760,000,000	747,178,547	12,821,453
Acquisition of Equipment	270,000,000	214,310,082	178,121,110	36,188,972
Acquisition of Motor Vehicles	160,000,000	166,000,000	165,953,236	46,764
Acquisition of Intangible Assets	88,200,000	88,200,000	83,406,572	4,793,428
TOTAL	48	9,903,203,894	6,552,728,873	3,350,475,471

Name: Joseph O. Haule
 Signature: 
 Title: Chairman - Roads Fund Board
 Date: 28/9/17

Name: Eliud T. Nyauhenga
 Signature: 
 Title: Road Fund Manager
 Date: 25/9/2017

NOTES 1-49 FORM PART OF THESE ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2017**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:

3rd and 4th Floor, Road Fund Building,

Njedengwa Investment Area,

Block D, Plot no 3

P.O. Box, 993, Dodoma,

Tel: +255 26 2963277/8

Fax: +255 26 2963279/80

Email: info@roadfund.go.tz

Website: www.roadfund.go.tz

RFB Auditors: Controller and Auditor General

RFB Banker: Bank of Tanzania and CRDB Bank PLC

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 were initially recorded at cost. On June 2017 we carried out revaluation for our asset thereafter the assets are stated at revaluation cost less depreciation or amortization. Revaluation surplus has been recorded in the statement of Equity whereas Impairment loss is has been in the statement of Comprehensive Income. Depreciation/ Amortization is calculated on a straight-line basis, at annual rates estimated to write off the assets over their expected useful lives at the following annual rates:

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

4.	Buildings	2%
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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.

Description	June 2017	June 2016
Note 3: Interest Income		
FDR - AZANIA HQ	-	218,202,406
FDR - BANK M	-	75,003,678
FDR - AZANIA Bancorp	-	0
FDR - AZANIA Mwasiliano Branch		257,361,060
Administration Account (Azania)	6,231,374	120,000
Disbursement Account (CRDB bank)	755,826,592	268,211,169
Total Interest Income	762,057,966	818,898,313
Note 4: Other Income		
Management Fee - DFID funded Projects	266,903,382	261,141,584
Road Sector Support Project		17,349,963
Sale of Tender Document	1,900,000	-
Proceed on disposal of assets	15,875,000	-
Total Other Income	284,678,382	278,491,547
Note 5: Donor Fund		
DFID Funds	26,690,338,150	26,114,158,400
EU Funds	65,652,432,970.00	-
USAID Funds	464,112,876	-
Total Donor Fund	92,806,883,996	26,114,158,400

Increase in Income from Donor Funds is due to increase of funding from USAID and EU who are facilitating various Project at Council level through RFB

Note 6: Special allocation - TANROADS

Release from Special fund(Overloading Charges) as follows:

Increase in Personnel Emolument is due to recruitment of new employees to fill vacant posts

Note 11: Employment Allowances		
Leave Travel	63,654,000.00	59,035,667
Transport Allowances	214,379,299.99	255,039,065
Housing & Furniture Allowances	39,720,000.00	53,752,600
Per Diems-Domestic	451,075,256.00	285,314,126
Extra Duty	117,191,120.00	112,485,000
Utilities	60,142,500.00	56,641,400
Per diems-Foreign	30,426,386	100,941,422
Honorarium	40,874,700	57,040,000
Total Employment Allowances	1,017,463,261.99	980,249,280

Increase in Employment Allowances is due to recruitment of new employees.

Note 12: Employer Contribution to Social Security		
NSSF Employer Contribution	12,872,700	8,859,420
PPF-Employer Contribution	26,183,850	15,822,000
LAPF Employer Contribution	13,801,800	13,186,800
PSPF Employer Contribution	12,840,000	6,207,300
GEPF Employer Contribution	105,600	-
Total Employer Contribution to Social Security	65,803,950.00	44,075,520

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

Note 13: Employer Contribution to staff welfare		
Health Insurance Scheme	34,800,467	38,547,820
Gratuity Expense	57,639,433	125,523,000
Burial Expenses	2,968,500	-
Total Employer Contribution to staff welfare	95,408,400	164,070,820

Note 14: Communication, Information, Supplies and service		
Telephone, Fax & Telegram	11,419,556	9,728,998
Postal Charges	2,416,270	936,100
Internet	40,951,294	37,201,601
Printing	30,313,837	68,661,760
Advertising	57,601,506	62,942,617
Total Communication, Information, Supplies and service	142,702,463	179,471,076

Note 15: Office Supplies and Services		
Periodicals & Newspapers	4,221,720	6,067,900

Total Board Meeting and Other Board Expenses	677,318,973	590,322,913
<i>Increase in Board meeting and other Board Expenses is due to conducting and participating in various stakeholders meeting</i>		
Note 21: Other Goods and Services		
Professional/Consultancy Services	235,185,700	41,785,560
Miscellaneous expenses(e.g Tools)	2,756,900	2,229,700
Security services	13,601,400	
Total Other Goods and Services	251,544,000	44,015,260
<i>Increase in Other Goods and Service is due to setting aside Funds for Road Inventory study and Condition Survey and security service for RFB office Building</i>		
Note 22: Maintenance of Motor Vehicle and Office Equipment		
Service & Repair-Technical Equipment	49,520,494	64,843,225
Service & Repair-Vehicles & Mobile Equip	24,940,463	27,221,942
Service & Repair-RFB Building	70,825,942	498,873,359
Total Maintenance of Motor Vehicle and Office , Office Equipment and RFB Building	145,286,899	590,938,527
Note 23: Audit Expenses		
Audit Expenses	887,445,870	1,376,209,480
Total Audit Expenses	887,445,870	1,376,209,480
Note 24: Planning & Monitoring Expenses		
Planning & Monitoring Expenses (Note23)	447,302,973	272,808,542
Total Planning & Monitoring Expenses		
<i>Increase in Planning & Monitoring Expenses is due to Increase in Monitoring activities to ensure value for money for RF</i>		
Note 25: Bank Charges		
Bank Charges	27,721,483	19,166,694
Total Bank Charges	27,721,483	19,166,694

Note 26: Cash and Cash Equivalents		
Administration Cash A/C	365,677,040	118,786,539
Disbursement Cash Account	17,835,688,585	8,428,986,585
Fixed Deposit Cash Account	-	8,908,328,065
Azania Administration Cash A/C	-244,899	685,807,276
BOT Disbursement Cash Account	96,138,197,858	-
Road Fund Board for Rural Development	464,082,196	-
Petty Cash	1,000,000	1,000,000
Total Cash and Cash Equivalents	114,804,400,780	18,142,908,465
Note 27: Roads Fund Receivables		
BOT Road Toll Cash Collection A/C	336,359,184,023	335,590,903,709
BOT Road Fund A/C	42,010,582,224	66,532,658,689
TRA Control	26,223,122,433	17,378,032,908
Tanroads Control	270,639,636	-
TRA Transit Charges Control	11,588,549,889	5,700,519,957
Fund Receivable - RFB Administration	2,188,842,420	4,494,478,556
Total Roads Fund Receivables	418,640,920,625	429,696,593,819
Note 28: Other Receivables		
Prepaid Health Insurance Scheme	73,012,616	57,736,836
Prepaid Office Rent	-	-
Prepaid Service of office Equipment	1,053,075	2,676,484
Prepaid Service of Motor vehicle security system and Fuel	6,822,100	5,125,849
Internet service	339,000	274,900
Prepaid contribution to social security	-	60,000
Prepaid Training	-	5,391,500
Purchase of Motor Vehicle	165,953,236	-
International Conference Receivable(MOWTC)	118,916,114	-
Total Other Receivables	366,096,141	71,265,569

Details of Note 29 - Movement schedule for Property, Plant & Equipment

PARTICULARS	LAND	OFFICE BUILDING	RESIDENTIAL BUILDING	RESIDENTIAL VEHICLES	OFFICE EQUIPMENTS	OFFICE FURNITURE & FITTINGS	RESIDENTIAL FURNITURE	COMPUTER SOFTWARE	TOTAL
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Cost as at 01.07.2016	616,150,012	3,117,363,957	-	440,486,694	396,451,289	366,407,517	-	98,796,682	5,063,687,941
Additions during the year	-	1,257,562,749	747,178,547	3,416,671	283,969,122	33,077,000	79,210,000	83,406,572	2,467,817,661
Disposal during the year	-	-	-	73,664,977	35,786,660	655,000	-	-	110,106,027
Cost as at 30.06.2017	616,150,012	4,374,963,706	747,178,547	379,240,378	646,623,560	418,829,517	79,210,000	180,203,254	7,441,398,974
Acc. Depreciation as at 01.07.2016	-	-	-	404,251,411	286,168,610	314,248,288	-	42,446,756	1,049,117,066
Depreciation charge for the year	-	67,459,274	14,943,571	45,091,440	178,718,623	51,055,091	9,901,250	67,576,220	454,785,469
Depreciation on disposal for the year	-	-	-	73,664,977	35,786,660	618,125	-	-	110,069,762
Acc. Depreciation as at 30.06.2017	-	67,459,274	14,943,571	45,091,440	35,786,660	618,125	9,901,250	110,024,976	1,393,632,762
Net Book Value as at 01.07.2016	616,150,012	3,117,393,967	-	44,237,273	110,282,478	72,159,229	-	56,349,927	4,014,570,675
Net Book Value as at 30.06.2017	616,150,012	4,287,464,432	732,234,976	2,562,504	215,522,977	54,144,262	69,308,750	70,178,278	6,047,566,193
CMV as at 30.06.2017	714,900,000	4,531,618,000	780,040,800	184,750,390	557,016,400	158,592,000	81,600,000	94,406,068	7,102,923,676
Revaluation surplus/(impairment)	98,749,988	156,654,294	32,862,253	(193,489,968)	(89,667,161)	(260,237,517)	2,390,000	(85,797,166)	(338,475,297)

Note 30: Fund due to Implementing agencies

Funds Due-TANROADS	262,908,476,355	214,382,665,850
Funds Due-PORALG	7,249,222,867	7,269,222,867
Funds Due-MOWTC	26,523,294,758	24,312,061,860
Fund Due - Councils	164,407,680,006	111,061,571,630
Funds Due-RFB Administration	7,316,466,741	3,494,478,557
Total Fund due to Implementing agencies	468,405,140,728	360,520,000,765

Note 31: Other Payable

Roads Classification Expenses (MOWTC)	391,154,069	308,543,537
International Conference Payable	-	10,364,682
W/ Tax on RFB staff salary	-	16,267,200
Contribution to social securities	-	6,298,000
HSELB Payable	3,000	-
Total Other Payable	391,157,069	341,473,419

Note 32: Other Provisions and Accruals

Office water	359,200	286,259
IFMS support	1,982,150	1,982,150
TTCL Bills	4,522,715	921,763
TPA Link	1,256,015	1,256,015
Audit expenses	1,113,687,764	1,103,327,634
Advertising	101,594,365	54,790,479
Annual report printing expenses	72,599,566	79,001,249
Honorarium	-	20,448,600
Monitoring expenses	-	29,814,232
Travelling on duty	2,675,000	7,186,500
Consultancy service	695,382,133	3,423,980,947
Office Rent	-	68,258,336
Training expenses	51,003,860	3,003,860
Contribution to welfares schemes and staff related Matters	-	10,197,355
Land rent expense	2,500,000	-
Electricity	2,618,525	-
stationery	28,077,200	-
Staff Remunerations	33,461,000	-
Newspaper and Periodic	-	522,000
Food and refreshments	-	596,640
Equipment for Implementing agencies	-	32,505,103
Postal Charges	522,150	551,500
Board Members Expenses	-	17,820,000
Service of Technical Equipment	9,197,207	17,542,670
Total Other Provisions and Accruals	2,121,438,850	4,873,993,292

Note 33: 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	56,842,632	56,842,632
Note 34: Development Partners Support		
Opening balance	99,287,978	99,287,978
Addition for the Year	-	-
Total Donor Support	99,287,978	99,287,978
Note 35: Accumulated Surplus		
Opening balance as at beginning of the financial year	85,177,544,887	244,009,530,137
Add: Surplus/(Deficit) for the year	-18,773,801,170	-157,831,985,250
Add: Prior year Adjustment	-	-
Total Accumulated Surplus	67,403,743,717	86,177,544,887
Note 36: Disbursement for special roads works		
Special Road Works	10,789,067,924	5,158,001,644
Total Payment various Special roads works	10,789,067,924	5,158,001,644
<i>Disbursement for special roads works is actual funds transfer to TANROADS, MOWTC, PORALG and RFB as special allocation from overloading collections</i>		
Note 37: Disbursement to Implementing agencies		
Transfer to Implementing agencies- Normal allocations	714,699,236,678	595,028,329,931
Total: Disbursement to Implementing agencies- Normal allocations	714,699,236,678	595,028,329,931
<i>Increase in Disbursement to implementing agencies is actual funds transfer to TANROADS, MOWTC, PORALG and RFB as normal allocation from Fuel and Transit fees collected and remitted to RFB.</i>		
Note 38: Disbursement in respect of DFID Funds		
Transfer in respect of DFID Funds	15,296,409,842	28,729,049,036
Total Disbursement in respect of DFID Funds	15,296,409,842	28,729,049,036
<i>Disbursement in respect of DFID fund is actual funds transfer to PORALG and RFB as bottleneck funds to selected Councils.</i>		
Note 39: Disbursement in respect of EU Funds		
Transfer in respect of EU Funds	30,127,660,440	-
Total Transfer in respect of EU Funds	30,127,660,440	-
<i>Disbursement in respect of EU fund is actual funds transfer to TANROADS, PORALG and RFB as funds to selected road projects and management fee to RFB.</i>		

for administration activities.

Note 47: Budget Performance

Description	Original Annual Budget	Revised Annual Budget	Actual	Variance
Total Operating Revenue	932,923,077,428	932,923,077,428	869,667,314,866	64,017,820,528
Total Disbursements to Implementing Agencies	929,603,896,937	929,603,896,937	882,119,702,953	47,484,193,983

Fund received by RFB from MoF for disbursement is less by 8%.

Note 48: Significant Budget Variances (Original Budget vs Final Budget)

s/no	Item	Reason
1	Salary and its related Items	Reduction due to Available of vacancy position
2	Casual labour & Temporary Employees	Increase due to Temporary employees assisting department which has vacancy post
3	Outfit allowance	Reduced due to Minimized Foreign Travel
4	Per – Diem Foreign	Reduced due to Minimized foreign Travel
5	Office cleaning and Up keeping	Increased due to shifting to own office Building
6	Rental Expenses	Increased due to shifting to own office Building
7	Diesel	Increase due to accommodating diesel for office Generator
8	Acquisition of Motor Vehicle	Increased to current prized given by GPSA been different from Budget

Note 49: Significant variances (Final Budget vs Actual)

s/no	Item	Reason
i.	Transit charges	Increase in volume of Transit Foreign Vehicle
ii.	Overload and Abnormal Fees	Introduction of E-permit system
iii.	Salaries and its related Items	Non filling of various post
iv.	Outfit allowance	Minimized Foreign travel
v.	Foreign Travel	Minimized Foreign travel
vi.	Transport – Foreign	Minimized Foreign travel
vii.	Professional/ Consultancy fees	TZS.1 Billion was set for Road Inventory and Condition survey study, the study is at TOR stage will be conducted in FY 2017/, furthermore its budget has been shifted to FY 2017/18
viii.	Insurance service	Minimized Foreign travel
ix.	Tender Board Expenses	Change in PPRA act requiring one meeting per quarter, few number of Evaluation and Negotiation meeting done in FY 2016/17.
x.	Audit expenses	Late procurement and Implementation of Performance Agreement by Implementing agencies for FY 2016/17 works.
xi.	Acquisition of Office equipment	Office equipment to be purchased In FY 2017/18
xii.	Acquisition of Office Building	Activities are in Tender Stage, will be utilized in FY 2017/18

PART
TWO

PERFORMANCE OF MoWTC (W)

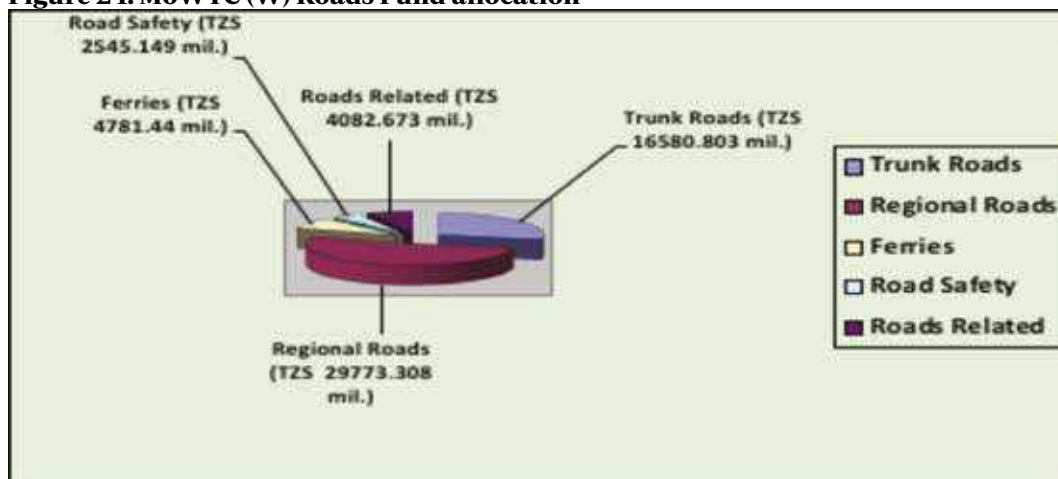
2.1 INTRODUCTION

The MoWTC receives 10% of the 70% budget allocation for National Roads. The money is used for roads development programs as provided in the Road and Fuel Tolls Act, CAP 220. This part presents the implementation status on how the 10% allocation was used in implementing road development programmes. The implementation is always based on Performance Agreement signed between MoWTC and the RFB prior to disbursement of funds as stipulated in the Act.

2.2 ANNUAL BUDGET

During the FY 2016/17, a total of TZS 57,763.37 mil. was budgeted for the Ministry to execute development projects. The budget 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 2-1 below:

Figure 2 1: MoWTC (W) Roads Fund allocation



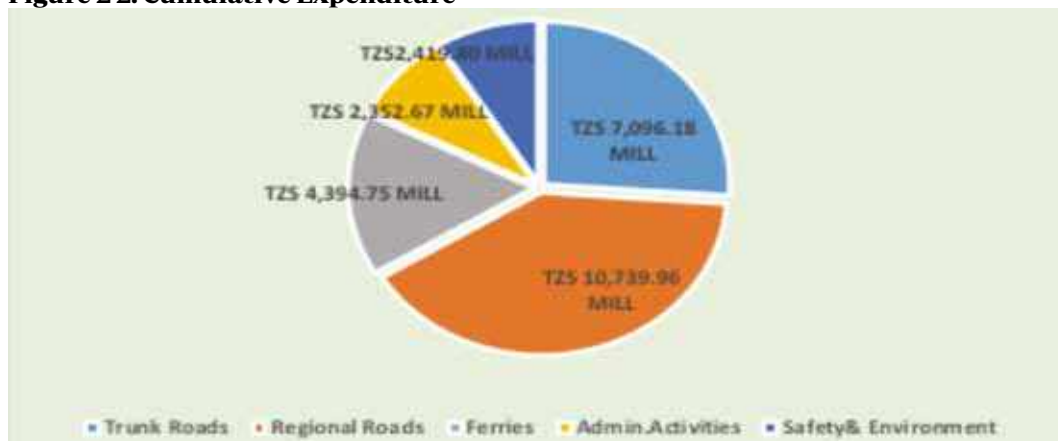
Source: MoWTC (W) & RFB.

2.3 OVERALL PHYSICAL AND FINANCIAL PERFORMANCE

Up to 30th June 2017; TZS 54,023.0 mil. was released to the Ministry which comprised of TZS 52,731.9 mil. (91%) for normal allocation and TZS 1,291.01 mil. for special allocation.

The Cumulative expenditure up to 30th June 2017 was TZS 27,187.9 mil.- equivalent to 47% of the annual budget. Low expenditure was due to delayed procurement processes in many projects and the slow pace of implementation of some projects. The status of expenditure is itemized below:

Figure 2 2: Cumulative Expenditure



Source: MoWTC (W) & RFB.

The operational plan and respective implementation is elaborated below:

2.3.1 Trunk Roads Projects

During the year under review, a total of TZS 14,684.52 mil. was disbursed for trunk roads projects and TZS 7,096.18 mil. were spent; equivalent to 48% of the amount received. The physical performance of the trunk roads projects feasibility studies and detailed designs were at different stages of implementation as shown in Annex 1.

2.3.2 Regional Roads Projects

During the year under review; a total of TZS 29,773.3 mil. was allocated for Regional Roads projects while the cumulative funds released were TZS 26,514.20 mil. Total expenditure including the specific road related projects was TZS 10,739.96 mil., equivalent to 41% of the amount received from the Roads Fund. The details of projects implementation status are as shown in Annex 2.



Picture 2 1: Kelema Bridge I is along Mayamaya – Mela Road once completed, will be among the bridges that will be maintained by using the Roads Fund money.

2.3.3 Ferries Projects

In the FY 2016/17, a total of TZS 4,781.44 mil. was allocated for ferry activities. The activities planned during the financial year were:

- (i) Procurement of ferry for Pangani crossing, with a total cost of TZS 1,267.75 mil.;
- (ii) Rehabilitation of MV Magogoni, MV Pangani II and MV Sengerema at a cost of TZS 1,000 mil.;
- (iii) Monitoring and evaluation of ferry projects with a total expenditure of TZS 472.50 mil.; and
- (iv) Construction of three (3) jetties at Jangwani Beach, Ununio and Bagamoyo with a budget of TZS 2,041.19 million.

The Project for construction of three (3) jetties at Jangwani Beach, Ununio and Bagamoyo with a budget of TZS 2,041.19 mil, was cancelled and funds were reallocated for procurement of new Magogoni-Kigamboni ferry (TZS. 1,020.6mil.) and new Kigongo-Busisi ferry (TZS. 1,020.6 mil.).

As of 30th June 2017, the cumulative funds released was TZS 4,394.75 mil. and the same amount was spent as shown in Table 2-1.

S/ NO	PROJECT/ACTIVITY NAME	ANNUAL PLAN FOR FY 2016/17	CUMULATIVE ACTUAL ACHIEVED		REMARKS
1	Procurement of new ferry for Pangani	100%	TZS 1,267.75 Million	100%	Completed and was inaugurated on 10th September, 2016.
2	Rehabilitation of MV Magogoni, MV Pangani II and MV Sengerema	100%	TZS 750 Million	75%	Rehabilitation of MV Magogoni and MV Pangani II completed. Rehabilitation of MV Sengerema is at procurement stage of the contractor
3	Monitoring and evaluation of ferry projects and other related activities	100%	TZS 425.25 Million	90%	Done in Tanga, Mwanza, Mtwara and Dar es Salaam Regions
4	Construction of three (3) jetties at Jangwani Beach, Ununio and Bagamoyo	100%	0	0%	Funds was reallocated to procure new Magogoni-Kigamboni ferry and new Kigongo-Busisi ferry



Picture 2 2: MV MWANZA: The Ferry operates between Kigongo and Busisi and maintained by Roads Fund.

2.3.4 Roads Related Administrative Activities

A total of TZS 4,082.673 mil. was allocated to facilitate the implementation of roads related administrative activities such as:

- (i) Preparation and publication of Sectoral Statistics Book 2016;
- (ii) Preparation of Annual Action Plan for the FY 2017/18;
- (iii) Preparation of Annual Performance Agreement for the FY 2017/18 between the Roads Fund Board and Ministry of Works, Transport and Communication (Works); and
- (iv) Participation in the SADC Experts Meeting on Trade in Services Negotiation and 14th Meeting of the EAC Sectoral Council on Transport, Communications and Meteorology (TCM).

Up to 30th June, 2017 the total released funds was TZS 4,582.673 mil. inclusive of a special release of TZS 500 million. The expenditure for the released funds was TZS 2,852.67 mil. which is equivalent to 57.6% of funds released. The details are as per Table 2-2.

S/ No.	PROJECT NAME/ACTIVITY	APPROVED BUDGET (TZS)	CUMULATIVE FUND RELEASED (TZS)	CUMULATIVE EXPENDITURE (TZS)
1	Support to Roads Monitoring and Evaluation Activities, Preparation of Roads Sector Performance Indicators and Roads Sector Statistics	488,000,000	488,000,000	488,000,000
2	Participation in East African Co-operation Road Network meetings, SADC Roads Related Programmes and Meetings, COMESA-EACSADC Tripartite Free Trade Area and Sub Saharan Africa Transport Policy (SSATP) meetings	450,000,000	450,000,000	450,000,000
3	Co-ordination of Ministry's Budget and Action Plan Preparations and Roads Sector Concept Paper and Write-Ups	620,000,000	620,000,000	620,000,000
4	Preparations of Responses to Audit Queries for Roads Fund Accounts; Preparation of Roads Fund Operational Plan; and Preparation of Roads Fund Progress Reports	106,000,000	106,000,000	106,000,000
5	Contribution to Roads Associations and Participation in Roads Transport Professional Bodies Meetings	53,800,000	53,800,000	53,800,000
6	Expenses for promotion and awareness activities on implementation of roads, bridges and ferries projects	170,000,000	170,000,000	170,000,000
7	Establish Roads Record Management and Files Tracking System	18,000,000	18,000,000	18,000,000
8	Institutional Support	446,593,000	446,543,000	446,543,000
9	Construction of Ministry's (Works) Headquarters	1,730,000,000	1,730,000,000	0
	TOTAL NORMAL ALLOCATION		4,082,673,000	2,352,343,000
	Special Allocation for Ministry's Office Accommodation at Dodoma		500,000,000	500,000,000
	TOTAL ALLOCATION	4,082,673,000	4,582,673,000	2,852,673,000

2.3.5 Roads Safety and Environment Activities

During the period under review, the Roads Safety and Environment Activities were allocated TZS 2,545,149 million. A total of TZS 3,336.23 million was released for the implementation of various roads safety and environment activities. Out of the released money, TZS 791.077 mil. was special funds for installation of fibre optical cables to weighbridge stations. The total expenditure was TZS 2,352.34 million which was 92% of the normal released funds.

The following activities were implemented as detailed in Table 2-3

- (i) Installation of weigh-in-motion at Mikese weighbridge;
- (ii) Upgrading of WIM software at Mikese and Vigwaza weighbridges that was achieved by 90%;
- (iii) Acquisition of land for establishment of one stop inspection centre at Manyoni and Nyakanazi;
- (iv) Road safety week prepared and conducted at Geita in September 2016;
- (v) Training of 20 Engineers and 7 Officers from MoWTC, TANROADS Headquarters and Regions; on Environmental Assessment and Management;
- (vi) Environmental monitoring on road projects was conducted in five (5) regions namely Mara, Manyara, Singida, Kilimanjaro and Coast;
- (vii) Monitoring of nineteen (19) weighbridge stations namely Vigwaza, Mikese, Kihonda, Nala, Njuki, Tinde, Mwendakulima, Kyamhorwa, Mutukula, Nyakahura, Usagara, Uyole, Nkangamo, Mpemba, Msata, Pongwe, Nangurukuru and Himo were conducted;
- (viii) Inspections of vehicles with transit stickers for all transport corridors were done; and
- (ix) Study on overload control in Dar es Salaam region was conducted.

ITEM	PROJECT NAME/ACTIVITY	APPROVED BUDGET FOR FY 2016/17 (TZS)	CUMMULATIVE FUND RELEASED (TZS)	CUMULATIVE EXPENDITURE (TZS)
2326	Operatiozation of an Electronic System for issuing Abnormal Load Permit (epermit), Road Accident Information System and CCTV cameras	140,000,000	140,000,000	3,865,931
2326	Installation of weigh in motion weighbridge at Mikese	110,000,000	110,000,000	110,000,000
2326	Upgrading of weigh in motion weighbridge software at vigwaza and Mikese	90,000,000	90,000,000	46,081,949
2326	Purchase and Installation of Pilot surveillence cameras along TANZAM Highway	159,000,000	159,000,000	-
2326	Compensation of land for establishment of One Stop Inspection Stations (OSIS) along the central corridor at Manyoni and Nyakanazi	1,363,652,000	1,363,652,000	1,741,273,530.60*
2326	Conduct road Safety awareness campaigns	60,000,000	60,000,000	60,000,000
2326	Road Environmental Monitoring and Audit	30,000,000	30,000,000	30,000,000
2326	Meetings and Training on Environment and climate change	15,000,000	15,000,000	11,282,242
2326	Prepare and promote pollution control programme	15,000,000	15,000,000	15,000,000
2326	Develop Environmental management System (EMS) and conduct on job training	30,000,000	30,000,000	500,000
2326	Participate in local and International meetings and professional training on road transport safety	30,000,000	30,000,000	0
2326	Conduct professional training on road transport safety and axle load control	70,000,000	70,000,000	0
2326	Monitoring and evaluation of roads, vehicles and ferries safety, maintenance of supervision vehicles, fuel and other related road safety administrative cost	372,500,000	372,500,000	297,730,837
	SUB TOTAL	2,545,149,000	2,545,149,000	2,365,580,490
	Special Allocation for Installation of fibre optical cables to weighbridge stations	791,077,459	791,077,459	54,223,055
	TOTAL	3,336,229,459	3,336,229,459	2,419,803,545

2.3.6 Cross Cutting Issues

In the financial year 2016/17, the Ministry continued with the implementation of various cross cutting issues, which were pertinent to the roads sector. The issues included Environmental Issues, Gender Issues and Employment Creation.

2.4 AUDITORS' OPINION ON FINANCIAL STATEMENTS OF MOWTC

Further to the above performance assessment, the National Audit Office conducted an audit of financial statements of MoWTC for the Financial Year, and issued professional opinion on the presented Financial Statements as presented below.

2.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

To: The Permanent Secretary and Accounting Officer of Vote 98,
Ministry of Works, Transport and Communication,
3 Moshi Avenue,
P.O. Box 2888,
40470 DODOMA

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

Unqualified Opinion

I have audited the financial statements of the Ministry of Works, Transport and Communication (Works) for Funds Received from Roads Fund Board, which comprise the statement of receipts and payments as at 30th June, 2017, and statement of cash flow for the year then ended, and notes to the financial statements, including other explanatory information set out from page 11 to 26.

In my opinion, the accompanying financial statements of the Ministry of Works, Transport and Communication (Works) for Funds Received from Roads Fund Board are prepared in all material respects, in accordance with International Public Sector Accounting Standards (IPSAS) cash basis of accounting and in the manner required by the Public Finance Act, 2001 revised 2004.

Basis for Opinion

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

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

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

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

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

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters to communicate in my report.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

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

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

In view of my responsibility on the procurement legislation and taking into consideration the procurement transactions and processes I have reviewed as part of this audit, I state that, the Ministry of Works, Transport and Communication (Works) for Funds Received from 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.

CONTROLLER AND
AUDITOR GENERAL

Prof. Mussa J. Asad
CONTROLLER AND AUDITOR GENERAL

31st March, 2018

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

STATEMENT BY THE PERMANENT SECRETARY (WORKS)
FOR THE YEAR ENDED 30TH JUNE, 2017

1. INTRODUCTION

In every financial year, Ministries, Independent Departments and Agencies (MDAs) are required to prepare financial statements and submit to the Controller and Auditor General (CAG) and the Ministry of Finance and Planning. The financial statement for the financial year ended 30th June, 2017 is presented based on functional responsibilities of the Ministry of Works, Transport and Communication (Works) as per the requirement of Section 25 of the Public Finance Act, 2001 as revised in 2004, Treasury Accounting Circular No 7 of 2016/17 regarding Closure of Accounts for the financial year 2016/17 and other Accounting circulars as well as International Public Sector Accounting Standards (IPSAs-Accrual Basis).

2. IMPLEMENTATION OF THE PLAN AND BUDGET FOR FINANCIAL YEAR 2016/17

The overall performance of the Ministry in the financial year 2016/17 was generally good. Road network condition assessment at the end of June 2017 indicated that 40% was ranked good 47% was ranked fair and only 13% was poor. With regard to upgrading of trunk roads to bitumen standard, 586.22 km were upgraded against the planned 602 km which is equivalent to 97.38%. On rehabilitation to bitumen standard, 65.90 km were rehabilitated against the planned 146.50 km, equivalent to 44.98%. On bridge construction, the annual targeted plan for construction of 14 bridges was 45% of level of completion. With regard to regional roads upgrading/rehabilitation to bitumen standard, 19 km were upgraded/rehabilitated against the planned 29 km, equivalents to 65%. On the rehabilitation to gravel standard, 502.54 km were rehabilitated against the planned 1,305 km which is 38.5% of annual plan.

The cumulative physical performance in roads and bridges maintenance programme up to the end of June, 2017 for trunk roads was 93% and 86% that is 8,790.3 km and 1,316 bridges, respectively, compared to the annual target of 9,414.6 km and 1,533 bridges, respectively. Similarly, the achievement for regional roads was 17,921.5 km of roads and 1,419 bridges maintained which is equivalent to 91% and 89%, respectively, compared to the annual target of 19,623.9 km and 1,596 bridges, respectively. The overall physical performance of the maintenance activities for both trunk and regional roads and bridges during the reporting year was 90% that is 26,711.8 km and 2,735 bridges against the planned target of 29,038.5 km and 3,129 bridges, respectively.

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

**STATEMENT BY THE PERMANENT SECRETARY (WORKS)
FOR THE YEAR ENDED 30TH JUNE, 2017 (continued)**

During the financial year 2016/17, the Ministry completed construction of two new ferries for the following ferry projects: Pangani (MV Tanga) and Magogoni – Kigamboni (MV Kazi). The Ministry also completed major rehabilitation of MV Magogoni.

With regard to Government buildings, the Ministry completed rehabilitation of 35 Government houses and design of office building for the Ministry. The Ministry also continued with the construction of Bariadi District Commissioner (DC) office block, fencing of Government houses at Mwasani Peninsula and Mikocheni in Dar es Salaam, construction of thirteen (13) new houses for Judges in the country, one (1) new residential house for District Commissioner in Urambo (Tabora Region), and rehabilitation of Government houses in Dodoma.

The Ministry continued to monitor the operation of weighbridge stations all over the country in order to control overloading and thus protect roads infrastructure from being damaged. During the financial year 2016/17 the Ministry, through Vehicle Load Control Programme, operated 40 permanent weighbridge stations and 22 mobile weighbridges. Furthermore, road safety and environment protection training for Ministry staff and other stakeholders and awareness campaign were conducted.

Constraints and Challenges

The main challenge encountered during the financial year 2016/17 was inadequate financial resources to implement the planned projects and activities. Development funds released up to the end of June, 2017 were only Shillings 1,388,861,411,858.65 which is equivalent to 63.82% of the total approved budget of Shillings 2,176,204,557,000.00. With regard to Other Charges (OC) budget, Shillings 3,370,636,160.39 equivalent to 96.8% were released against approved budget of Shillings 3,481,677,488.84. Inadequate release of Development funds resulted into accumulation of contractual liabilities.

It is important to emphasize that in order to implement development plans effectively and efficiently, adequate financial resources should be provided. Shortage of funds received by the Ministry from the Treasury resulted into ending the financial year with liabilities of Shillings 1,240,804,097,998.80. These liabilities comprise of Shillings 1,240,298,821,331.83 (Shillings 972,629,705,109.83 and Shillings 267,669,116,221.47 for TANROADS and for the Ministry respectively) for upgrading and rehabilitation of roads to bitumen standard and Shillings

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

**STATEMENT BY THE PERMANENT SECRETARY (WORKS)
FOR THE YEAR ENDED 30TH JUNE, 2017 (continued)**

505,276,667.51 for supply of goods and services and staff claims. Despite Inadequate financing compared to needs during financial year 2016/17, payments were steady and most of the contractors who had suspended works resumed construction and those who had reduced construction pace picked up. The result of this trend was increased work output and hence increased payment arrears.

Strategies to Overcome Challenges

In the financial year 2016/17, the Ministry continued supervising, managing and implementing planned activities including development projects and other routine works. In order to implement development plans effectively and efficiently, the Ministry requires adequate financial resources and support from the Government through Treasury, Development Partners and Private Sector. Due to inadequate financial resources, the Ministry is working on securing other sources of financing infrastructure development projects besides annual Government budget. One of the options currently being considered by the Ministry is involvement of the private sector through Public Private Partnership (PPP) arrangement.

3.0 COMMITTEES AND BOARDS IN THE MINISTRY

3.1 AUDIT COMMITTEE

The Ministry of Works, Transport and Communication (Works) has an Audit Committee to oversee the overall performance of Ministry as well as financial controls. In order to ensure sound corporate governance, the Ministry formed the Audit Committee as stipulated in the Public Finance Regulation 31 of the Public Finance Act No. 6 of 2001 (revised 2004).

The Committee comprises the following members:

1. Dr. William M. Nshama	Chairperson
2. Mr. Stephen T. Mushi	Member
3. Eng. Light K. Chobya	Member
4. Mr. Emmanuel M. Subbi	Member
5. Ms. Elizabeth F. Tagora	Secretary

The main functions of the Audit Committee are to:

- Approve internal annual and strategic audit plans of the Ministry;
- Review internal and external audit reports;

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

**STATEMENT BY THE PERMANENT SECRETARY (WORKS)
FOR THE YEAR ENDED 30TH JUNE, 2017 (continued)**

- Provide advice to the Accounting Officer on actions to be taken on matters of concern raised in reports of Internal Auditor or in reports of the CAG concerning the Ministry;
- Coordinate audit programs conducted by the Internal Auditor and by the CAG;
- Provide advice to the Accounting Officer on the preparation and review of financial statement of the Ministry;
- Prepare an annual report on its functions.

3.2 MINISTERIAL TENDER BOARD

The Ministry has a Tender Board which deals with all aspects of procurement management as stipulated under the Public Procurement Act No. 7 of 2011 as amended in 2016, Section 34 and 35. The Ministerial Tender Board is established in accordance with Section 31 (1) of the Public Procurement Act No.7 of 2011. Its members are appointed in consideration of their technical competence and skills required for discharge of the functions of the Tender Board as stipulated in Section 31 (5) of the PPA, 2011. The Ministerial Tender Board members are as follows:

1. Dr. William M. Nshama	Chairperson
2. Ms. Elizabeth Tagora	Member
3. Ms. Segolena S. Francis	Member
4. Mr. Moses T. Chitama	Member
5. Mr. Projest Pastory	Member
6. Eng. Ven K. Ndyamukama	Member
7. Mr. Daudi John L. Sisso	Secretary

The functions of the Ministerial Tender Board are as stipulated in Section 33 of the PPA No. 7 of 2011 which are to:

- Deliberate on the recommendations from the Procurement Management Unit and approve award of contracts;
- Review all applications for variations, addenda or amendments to ongoing contracts;
- Approve tendering and contract documents;
- Approve procurement and disposal by tender procedures; and
- Ensure that best practices in relation to procurement and disposal by tender are strictly adhered to by the Ministry.

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

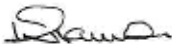
STATEMENT BY THE PERMANENT SECRETARY (WORKS)
FOR THE YEAR ENDED 30TH JUNE, 2017 (continued)

4. EMPLOYEES WELFARE

The Ministry provides a number of services to cater for employees welfare which include improving the working environment and enrichment of staff motivation. During the financial year 2016/17 none of the Ministry staff was promoted, recategorized, confirmed and recruited. This was due to Human Resource Auditing exercise conducted in the entire Public Service Management. Furthermore, in improving employees performance, 51 employees were trained in different disciplines of whom 11 attended long courses and 40 employees attended short courses.

5. CROSS-CUTTING ISSUES

With regard to cross-cutting issues, the Ministry continued to support employees who are living with HIV/AIDS by providing them with required assistance. During the financial year 2016/17 the Ministry facilitated two (2) employees living with HIV/AIDS with food supplement and drug. The Ministry has also continued to provide seminars and awareness on HIV/AIDS, road safety and environment protection to its stakeholders.



.....
Eng. Joseph M. Nyamhanga
Permanent Secretary (Works)

27/09/2017

.....
Date

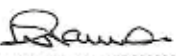
**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION (VOTE 98)**

**STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR THE YEAR ENDED 30TH JUNE, 2017**

The Management of the Ministry of Works, Transport and Communication (Vote 98) 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 record 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, 2017. Procurement of goods, works and consultancy and non-consultancy services that are reflected in these financial statements have been done in accordance with the Public Procurement Act No. 9 of 2011, the Public Procurement and its Regulations of 2013 and its amendments of 2016.

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

27/09/2017
.....
Date

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

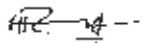
**STATEMENT OF DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTS
UNIT OF THE MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION
(VOTE 98) FOR THE YEAR ENDED 30TH JUNE, 2017**

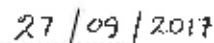
The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act, No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible 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, 2017 have been prepared in compliance with applicable accounting standards and statutory requirements.

I, thus, confirm that the financial statements give a true and fair 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.

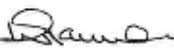

.....
Project R.K. Pastory- ACPA 1908
Chief Accountant


.....
Date

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

STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 30TH JUNE, 2017

		2016/17 Tzs (Million)	2015/16 Tzs (million)
RECEIPTS			
Receipts from Road Fund	NOTE 13b	52,270.50	37,315.16
Receipt for 2014/2015		0.00	6,425.78
TOTAL RECEIPTS	13a	43,740.94	43,740.94
PAYMENTS			
Employee Benefits	14	5,414.51	778.51
Supplies and consumable goods	15	559.10	981.59
Current transfer and subsidies	16	38,203.71	35,354.90
Monitoring and other related activities	16	4,222.50	2,349.46
Purchase /Construction of Non current Assets		0.00	68.94
Total payments		48,409.15	39,685.95
Increase /(decrease) in cash		3,860.68	4,054.99
Cash in the beginning of the year		5,190.87	1,135.68
Cash in the end of the year		8,051.35	5,190.67

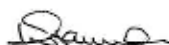

.....
Eng. Joseph M. Nyamhanga
Accounting Officer

27/09/2017
.....
Date

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

STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 30TH JUNE, 2017

		2016/17 Tzs (Million)	2015/16 Tzs (million)
RECEIPTS			
Receipts from Road Fund	NOTE 13b	52,270.50	37,315.16
Receipt for 2014/2015		0.00	6,425.78
TOTAL RECEIPTS	13a	43,740.94	43,740.94
PAYMENTS			
Employee Benefits	14	5,414.51	778.51
Supplies and consumable goods	15	569.10	981.59
Current transfer and subsidies	16	38,203.71	35,354.90
Monitoring and other road related activities	18	4,222.50	2,349.46
Purchase /Construction of Non current Assets		0.00	68.94
Total payments		48,409.15	39,685.95
Increase / (decrease) in cash		3,860.68	4,054.99
Cash in the beginning of the year		5,190.67	1,135.68
Cash in the end of the year		9,051.35	5,190.67



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

27/09/2017

.....
Date

STATEMENT OF DISTRIBUTION OF FUND FROM ROAD FUND TO MOW – 30 JUNE 2016/2017			
RELEASE No.	DEPARTMENT	AMOUNT	TOTAL AMOUNT
1	TRUNK ROAD	✓ 1,124,251,000.00	
	REGIONAL ROAD	✓ 2,018,950,000.00	
	DTEs	✓ 324,348,260.00	
	DPP	✓ 276,949,562.81	3,817,249,522.81
	DSE	✓ 172,750,700.00	
1b	TRUNK ROAD	✓ 57,400,000.00	
	REGIONAL ROAD	✓ 103,080,000.00	
	DTEs	✓ 16,560,000.00	
	DPP	✓ 14,140,000.00	200,000,000.00
	DSE	✓ 8,820,000.00	
2	TRUNK ROAD	849,471,650.00	
	REGIONAL ROAD	✓ 1,503,254,000.00	
	DTEs	✓ 289,047,500.00	
	DPP	543,418,304.29	✓ 3,826,201,854.29
	DSE	643,060,100.00	
3	TRUNK ROAD	1,182,539,600.00	
	REGIONAL ROAD	2,123,630,000.00	
	DTEs	341,164,700.00	
	DPP	291,305,423.32	✓ 4,793,111,641.32
	DSE	854,471,918.00	
4	TRUNK ROAD	1,393,684,790.00	
	REGIONAL ROAD	2,438,015,000.00	
	DTEs	437,655,460.00	
	DPP	356,005,335.56	✓ 4,831,829,256.56
	DSE	206,468,670.00	
5	TRUNK ROAD	1,482,806,400.00	
	REGIONAL ROAD	2,623,562,500.00	
	DTEs	470,768,600.00	
	DPP	417,773,138.54	✓ 5,242,587,238.54
	DSE	247,676,600.00	
6	TRUNK ROAD	1,470,363,742.00	
	REGIONAL ROAD	2,593,300,000.00	
	DTEs	452,799,242.00	
	DPP	417,504,143.07	✓ 5,153,723,427.07
	DSE	219,756,300.00	
7	TRUNK ROAD	1,358,016,200.00	
	REGIONAL ROAD	2,438,751,000.00	
	DTEs	391,790,000.00	
	DPP	350,424,897.64	✓ 4,731,763,809.64
	DSE	192,781,712.00	
SPECIAL	TRUNK ROAD	-	
	REGIONAL ROAD	-	
	DTEs	-	
	DPP	500,000,000.00	✓ 500,000,000.00
	DSE	-	
8	TRUNK ROAD	1,320,958,100.00	
	REGIONAL ROAD	2,371,400,580.00	

	DTES	395,382,880.00	
	DPP	561,552,036.36	✓ 4,649,293,596.36
	DSE	-	
9	TRUNK ROAD	1,385,714,000.00	
	REGIONAL ROAD	2,443,595,000.00	
	DTES	392,568,300.00	
	DPP	569,286,511.51	✓ 4,791,163,811.51
	DSE	-	
10	TRUNK ROAD	1,067,741,800.00	
	REGIONAL ROAD	2,280,738,000.00	
	DTES	308,369,300.00	
	DPP	263,198,782.12	✓ 3,920,047,882.12
	DSE	-	
11	TRUNK ROAD	1,155,334,909.69	
	REGIONAL ROAD	2,074,580,000.00	
	DTES	333,185,500.00	
	DPP	31,114,864.78	✓ 3,594,215,274.47
	DSE	-	
12	TRUNK ROAD	686,644,900.00	
	REGIONAL ROAD	1,232,700,396.10	
	DTES	197,968,800.00	✓ 2,117,314,096.10
	DPP	-	0.00
	DSE	-	0.00
			52,270,501,410.79

RELEASE FOR THE YEAR 2016/2017			
RELEASE No.		AMOUNT	
RF	MOW	RF	MOW
1	.	4,917,249,523.00	3,917,249,522.81
	1Part	200,000,000.00	200,000,000.00
2	2	3,828,201,854.00	3,828,201,854.29
3	3	4,793,111,641.00	4,793,111,641.32
4	4	4,831,828,256.00	4,831,829,256.56
5	5	5,242,587,239.00	5,242,587,238.54
6	6	5,153,723,427.00	5,153,723,427.07
7	7	4,731,763,810.00	4,731,763,809.64
SPECIAL RELEASE	SPECIAL RELEASE	500,000,000.00	500,000,000.00
8	8	4,619,293,598.00	4,619,293,598.36
9	9	4,791,163,811.00	4,791,163,811.51
10	10	3,920,047,882.00	3,920,047,882.12
11	11	3,594,215,274.00	3,594,215,274.47
12	12	2,117,314,096.00	2,117,314,096.10
		0	52,270,501,410.79

NOTE:

unspent balance on release no 8 was distributed on financial year 2017/2018.

PART
THREE

PERFORMANCE OF PORALG

3 PERFORMANCE OF PORALG

3.1 INTRODUCTION

This chapter gives an overview of the status of implementation of Roads Fund programmes under President's Office – Regional Authorities and Local Government (PORALG) in the FY 2016/17.

PORALG receives 30% of the Roads Fund as determined by applicable allocation formula whereby 10% of the amount is used for development of road projects. The remaining 90% is used for maintenance works.

The PORALG is responsible for coordinating and monitoring of maintenance and development of District roads network that is under Local Government Authorities' (LGAs).

3.2. ROAD NETWORK AND CONDITION

PORALG is responsible for District Roads, the road network that consists of collector, feeder and community roads. The length of roads network under PORALG is 108,946 km of which 52,241 Km are classified roads and 56,705 Km are not classified. The road network and respective condition is as shown in Table 3-1.

Table 3 1: Local Government Road Network and Road Condition

Surface Type	Unit of Measure	Good	Fair	Poor	Total	%
Paved	Km	901.23	256.687	167.578	1,325.49	1.20
Gravel	Km	9,307.54	8,481.83	4,299.42	22,088.79	20.30
Earth	Km	14,319.75	28,531.41	42,680.74	85,531.91	78.50
Total	Km	24,528.52	37,269.93	47,147.74	108,946.19	100
Proportion	%	22.5	34.2	43.3	100	

Source: PORALG.

The Review of condition for District roads indicates that it remained the same as that of previous year, whereby 57% roads 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 below.

Figure 3 1: Trend of Road Condition for District, Feeder and Urban Roads



Source: RFB & PORALG.

3.4 MAINTENANCE BUDGET AND EXPENDITURE

In the FY 2016/17, PORALG entered into Performance Agreement with the Board for a total budget of TZS 247,557.329 million. During the year, TZS 227,971.66 million equivalents to 92% of annual budget was disbursed to the PORALG.

3.5 PHYSICAL AND FINANCIAL PERFORMANCE

Periodic maintenance was undertaken covering a total of 2,631.14 km out of the planned 3,882.45 km, at a total cost of TZS 14,873.67 million, out of the budgeted TZS 88,742.82 million. The physical performance achieved 67%, while the financial performance achieved 16.8% of the planned annual periodic maintenance activities. Spot improvement works were carried out on 3,232.17 km (59.4%) out of the planned 5,436.84 km at a cost of TZS 6,773.84 million equivalent to 26.2% of the annual planned expenditure of TZS 25,839.96 million.

Routine and recurrent maintenance were carried out on 14,947.37 km, out of the planned 24,575.23 km, equivalent to 60.8% of the amount; at a total cost of TZS 12,354.60 million, being 28.4% of the annual planned expenditure of TZS 43,552.69 million.

The amount of TZS 8,986.12 million was spent on preventive maintenance of bridges and culverts equivalent to 22.1% of the planned annual expenditure of TZS 40,622.92 million.

The summary of the maintenance and development performance is as shown in Table 3-2 below.

Table 3 2: Physical and Financial Performance

S/N	ACTIVITY	Planned Scope		Actual Performance	
		Physical (Km)	Financial (TZS mil.)	Physical (Km)	Financial (TZS mil.)
1	Routine Maintenance	24,575.23	43,553	14,947.37	12,355
2	Spot Improvement	5,436.84	25,840	3,232.17	6,774
3	Periodic Maintenance	3,882.45	88,743	2,631.14	14,874
4	Cross and drainage structure		40,623		8,986
5	Supervision & Inventory		10,720		4,707
6	Monitoring Costs				
	*PORALG		1,199		1,088
	*25 RAS Engineers		1,126		901
8	Administration Cost		1,050		1,050
9	Development Projects		24,758		2,257
10	Emergency/Urgent		8,000		0
11	Capacity Building		1,440		1,401
12	Operations Of Road Research Centre		526		453
	TOTAL	33,894.52	247,577	20,810.68	54,844
	% achievement			61%	22.20%

Source: PORALG & RFB.

3.6 ROAD DEVELOPMENT PROJECTS

During the year under review, TZS 24,757.7 million was budgeted for development projects as shown in Table 3-2 above. In the period 88.12 km of roads were rehabilitated or constructed for which only TZS 2,256.51 million was paid. The list of projects and the status of development projects are as shown in Table 3-3 below.

Table 3.3: Status of Development Projects:

S/N	LGA/ Institution	Project	km/No	Budget (TZS)	Annual Allocation (TZS)	Km	Payment to date(TZS)	STATUS OF IMPLEMENTATION
1	PO-RALG	Finalizing LoGITReC detailed engineering design		150	38		0.00	TOR for procurement of Consultant completed / Procurement of consultant in progress
2	PO-RALG	Phase 1 Construction of LoGITReC buildings		400	0		0.00	Depending on completion of activities of Finalizing LoGITReC detailed engineering design
3	Arusha DC	Upgrading of Mianzini - Timbolo road to DSD	1 Km	350	188		0.00	Award stage completed
4	Karatu DC	Upgrading of Karatu Town Roads	1 Km	350	188		0.00	fail to have contractor for the first procurement process / Proposed to be Readvertised
5	Bahi DC	Upgrading of Bahi Town roads	1.5 Km	585	315	1.00	120.90	Works on progress 50%
6	Chamwino DC	Rehabilitation of Nagulo - Mwitikila - Mpayungu - Kinungulu	16Km	350	188	16.00	126.55	works completed
7	Kondoa TC	Upgrading of Kondoa Town roads to DSD	1.5 Km	562	302		0.00	Contract Signing stage
8	Kongwa DC	Upgrading Kibaigwa Township to Double Surface Dressing	1 Km	350	188		0.00	Under Procurement
9	Mpwapwa DC	Upgrading of Mpwapwa Urban roads	1 Km	350	188		0.00	On progress
10	Chato DC	Upgrading of Chato Town Roads to tarmac level	2 Km	700	376	2.00	145.27	Subbase stage/works on progress
11	Mbogwe DC	Construction of Ilolangulu - Busabaga - Ishiganya road (Embarkment, gravel and 20 lines of concrete piped culverts)	26 Km	526	283	20.00	105.81	on progress
12	Kilolo DC	Upgrading to bitumen std along Kilolo Town roads.	1 Km	350	188	1.00	188.19	Works completed
13	Mpimbwe DC	Rehabilitation of Usevya town roads	12 Km	360	194	12.00	112.96	Works on progress 87.50%
14	Nsimbo DC	Construction of Bridge along Ilembo-Itenka road	1 No	300	161		0.00	Designing process in progress
15	Mwanga DC	Construction of CD Msuya roads	1 Km	350	188		0.00	Works on progress 55%
16	Kilwa DC	Rehabilitation of Kilwa Mkocho - Kivinje road	4.5 km	800	430		0.00	Procurement process
17	Liwale DC	Rehabilitation of Urban road	20 Km	300	161		0.00	Works on progress
18	Nachingwea DC	Upgrading of Matangini - Mpiruka and Matangini - Mabatini to DSD	1.2 Km	316	170	1.20	211.99	Work in progress
19	Ruangwa DC	Upgrading of Ruangwa Town Roads	3.95 Km	1400	753	3.82	725.68	Works on progress
20	Serengeti DC	Upgrading of Serengeti town roadstarmac level	2 Km	700	376		0.00	Waiting for readvertisement
21	Kyela DC	Upgrading of Kyela Town Gravel Rds to Double Surface Dressing	1 Km	350	188		0.00	Project is at mobilization stage
22	Mbeya CC	Upgrading of Gravel Road To Paved Road- 5.0 km	2 Km	400	215		0.00	Design stage
23	Mvomero DC	Upgrading of Mvomero Town Roads to DSD standard	1 Km	350	188	0.20	30.38	Work in Progress
24	Masasi TC	Upgrading to Bitumen (Double Surface Dressing) Standard of Rest Camp-Magereza 1.4km	1.4 Km	475	255		0.00	Work in Progress
25	Nanyamba DC	Upgrading of Nanyamba Town roads to DSD standard	1 Km	350	188		0.00	Work in Progress
26	Misungwi DC	Construction of Mwasonge Bridge	1 No	1030	554		0.00	Design stage

S/N	LGA/ Institution	Project	km/No	Budget (TZS)	Annual Allocation (TZS)	Km	Payment to date(TZS)	STATUS OF IMPLEMENTATION
27	Makete DC	Rehabilitation of Makete Town Roads to gravel standard	12 Km	612	329		41.20	Work in Progress
28	Kisarawe DC	Construction of Kisarawe Town roads to tarmac level	2 Km	700	376		0.00	Work in Progress
29	Rufiji DC	Upgrading of Utete Urban roads from gravel to Tarmac road	1 Km	350	188		0.00	Procurement process
30	Nkasi DC	Upgrading of Nkasi Urban roads from gravel to Tarmac road	1 Km	350	188		0.00	Design stage
31	Namtumbo DC	Construction of 2km of tarmac road in Lusewa Township	2 Km	700	376		0.00	Evaluation stage
32	Nyasa DC	Construction of Tingi - Liparamba Bridge (span 25 m, depth 6m, new road 25km)	30 Km	505	272		0.00	Evaluation stage
33	Mkalama DC	Construction of Msingi Bridge	1 No	336	181		0.00	Work on progress 10%
34	Tabora DC	Rehabilitation of Isikizya Township roads	15 Km	300	161	15.00	161.31	Works completed
35	Urambo DC	Urambo Urban paved (Sitta and Majengo ya kati)	1.4 Km	500	269		0.00	Site possession
36	Korogwe DC	Upgrading of Mombo Town Roads to DSD	1 Km	350	188		0.00	Preparation of BoQ for tendering is on going
37	Lushoto DC	Upgrading of Lushoto Town Tarmac road	1 Km	350	188		0.00	On Procurement-Contract Signing stage
38	Mlele DC	Rehabilitation of Mlele Town Roads to DSD	1 Km	350	188		0.00	Design & Estimation completed and Submitted waiting for the approval
39	Ilala MC	Periodic Maintenance of Chanika - Nzasa	7 Km	245	132		0.00	Work in Progress
40	Kinondoni MC	Migombani - Shoppers Plaza	0.5 Km	350	188		0.00	Design stage
41	Chamwino DC	Fufu - Suli - Chiboli -Champumba with 1 Vented Drift 30m span	30 Km	350	188		0.00	Work in Progress
42	Kondoa DC	Gubali - Haubi - Ntomoko	15 Km	700	376		0.00	Mobilization
43	Mpwapwa DC	Construction of Kibakwe - Wotta roads 23 Km (4 Km concrete strips and 19 Km gravel standard)	23 Km	835	449		0.00	Procurement stage
44	Mpwapwa DC	Upgrading of Kidenge - Lufu road 25.5 Km (7 Km blasting rocks and concrete strips)	25.5 Km	1093	587		0.00	Procurement stage
45	Chato DC	Rehabilitation of Chato Town roads to gravel standard	10Km	971	522	8.00	189.21	Structure stage, gravelling completed
46	Ruangwa DC	Ruangwa - Nangurugai Bridge	1 No	556	299		0.00	Design stage
47	Hanang DC	Bassotu - Basodesh - Construction of Basodesh Bridge	1 No	455	244		0.00	Work in Progress 20%
48	Kisarawe DC	Construction of Mzenga - Nyani - Gwata	13.5 Km	500	269		0.00	Procurement process
49	Kisarawe DC	Construction of Kimaramisale - Kigogo and 3 bridges	3.95 Km	340	183		0.00	Work in Progress
50	Iringa DC	Kitawa - Wangama	7 Km	105	56	7.00	56.46	Works completed under defect liability period
51	Kilolo DC	Upgrading to bitumen std along Ilula Town roads.	1 Km	350	188	0.90	40.64	Work in Progress 55%
	TOTAL			24,756	13,053	88.12	2,257	

3.7 EMERGENCY /URGENT WORKS

During the year under review, TZS 8,000 million was budgeted for Emergency and Urgent Work projects as shown in Table 3.2 above. At the end of the year, the total released funds were to the tune of TZS 5,694.379 million and the works were at different stages of implementation as shown in Table 3-4 below.

Table 3.4: Emergent Road Projects Works for FY 2016/17

S/N	LGA Name	Project Name	Length (Km)/Bridge			Project Costs (TZS)	STATUS
			Km	Bridge	Culvert		
1	Ilemela MC	Rehabilitation of PFF-KISEKE Road	1			186,304,240	Under Implementation
3	Dodoma MC	Rehabilitation of Kilalakidewa Bridge.		1		279,173,840	Under Implementation
		Rehabilitation of Vented Drift along Mazombe Secondary Road.			1	191,324,020	Under Implementation
		Rehabilitation of West Ipagala Road (Gravel standard).	0.5			48,698,600	Under Implementation
4	Msalala DC	Construction of Nyaya Bridge at Ngaya Ward.		1		386,870,000	Under Implementation
5	Kondoa DC	Rehabilitation of Kinyasi Majengo-Mauno-Itaswi-Chubi Road (Gravel standard).	21			525,000,000	Under Implementation
6	Ulanga DC	Construction of Mzingizi Bridge along Ruaha-Sali Road.		1		605,569,500	Under Implementation
7	Makambako DC	Construction of Bridge Deck along Kisingile-Makaburini Road.		1		55,932,000	Under Implementation
8	Wang'ing'ombe DC	Rehabilitation of Kinenulo-Kipengerei Road (Gravel standard).	42.5			930,881,350	Under Implementation
9	Lindi MC	Rehabilitation of Mtutu-Cheleweni Road and Drain (Gravel standard).	15			410,000,000	Under Implementation
10	Bukoba MC	Rehabilitation of Kashenye - Kisindi Road (Gravel standard)				37,767,000	Under Implementation Stone pitching 772m3, Wall construction & Graveling.
11	Same DC	Rehabilitation of Chankoko-Uvinze Junction Road (Gravel standard).	8			147,225,000	Under Implementation
12	Kilosa DC	Rehabilitation of Berega Bridge	1			254,120,000	Under Implementation
13	Iringa DC	Construction of Box Culvert along Pawaga Secondary Mboliboli Road.	1			180,000,000	Under Implementation
14	Songea DC	Rehabilitation of Liganga-Mborongo Mwembasi Road (Gravel standard)	30			160,000,000	Under Implementation
15	Kilolo DC	Rehabilitation of Mtandika-Msosa Road (Gravel standard).	13			354,094,400	Under Implementation
16	Kilolo DC	Rehabilitation of Mtandika-Ikula Road (Gravel standard).	16			476,790,800	Under Implementation
17	Ifakara TC	Rehabilitation of Keepleft-Police-Lupogolo-Soko Mjinga Road (Gravel standard)	1.3			464,627,950	Under Implementation
Total			148	5	2	5,694,378,700	

3.8 OTHER PROGRAMMES

3.8.1 African Community Access Programme (AFCAP)

PORALG is cooperating with AfCAP in areas of rural roads network through agreed areas including the preparation of Tanzania Low Volume Roads (LVR) Manual, 2016 which was launched in February 2016. Apart from the LVR Manual, three other projects are at different stages of implementation after being approved by AfCAP regional manager. The projects are:

- i. Capacity building for laboratory staff as part of research centre which was conducted in April 2017;
- ii. Long Term Pavement Performance monitoring of trial sections in Siha and Bagamoyo District Councils; and
- iii. The Establishment of Road Materials and Aggregate Inventory Database.

3.8.2 Improving Rural Access in Tanzania (IRAT)

During the period under review, DFID released a total of TZS 26,334.87 million for the implementation of Phase II of IRAT projects. The total amount spent was TZS 19,804.35 million; equivalent to 75%. Of the released funds. Eight LGAs out of 11 have completed their works while three LGAs (Iringa MC, Kilombero DC and Gairo DC) are continuing with the works. The Projects in the three district councils have faced challenges leading to delay of their completion. The challenges are heavy rainfalls at Tagamenda Bridge, in Iringa MC and Kilombero DC. The rainfalls led to collapse of the bridge connecting two sections of Chita – Melela road which affected the construction of the road section. The Status of implementation of IRAT Phase II projects is summarized in table 3-5 below.

Table 3.5: IRAT Phase II projects

S/No	LGA	Description of Works	Planned Activities	Physical Progress	Costs (TZS)	Amount Received (TZS)	Financial Progress (TZS)	Remarks
1	Iringa MC	Construction of Tagamenda Bridge and approach roads	1No & 400 m	Two abutments completed, pier completed, general progress is 75% of the total works.	4,573,360,078	4,573,360,078	3,081,597,695	Under Implementation
2	Tunduru DC	Package 1: Construction of 2Box Culverts Package 2: Construction of 5Box Culverts	2No 5No	2 Box Culverts and three ring culverts of 900mm dia have been constructed 5 Box Culverts have been constructed.	719,111,768 1,052,657,471	719,111,768 1,052,657,471	719,111,768 1,052,657,471	Completed Completed
3	Wanging'ombe DC	Package 1: Construction of 2 Box Culverts Package 2: Construction of 2 Box Culvert Package 3: Construction of 2 Box Culverts	2No 2No 2No	2 Box Culverts have been constructed 2 Box Culverts have been constructed 2 Box Culverts have been constructed	579,825,671 664,573,142 630,339,754	579,825,671 664,573,142 630,339,754	579,825,671 664,573,142 630,339,754	Completed Completed Completed
4	Kyerwa DC	Road Rehabilitation to gravel std (31km), Construction of 3 Box Culverts, Construction of 25 concrete ring culverts	31km road, 3No 25 lines of culverts	Road formation 31km, Graveling 31km, 3Box Culverts 42lines of 900mm dia & 6lines of 1000mm dia Culverts	2,632,710,648	2,632,710,648	2,632,710,648	Completed
5	Bahi DC	Raising embankment at varying heights from 1m to 1.5m and graveling for 12.9km and Construction of 277m run of ring culverts of 900mm diameter	12.9km, 3 Box Culv, 277m concrete ring culvert	21.3km have been raised and formed, 21.3km graveled, 3No Box Culverts Constructed & 347m (43lines) concrete ring culvert	3,396,044,954	3,396,044,954	3,396,044,954	Completed
6	Babati DC	Embankment raising 800m long including graveling, 1m high, and construction of 4 Box Culverts, one of size 4m X 1.2m and the remaining three are of size 2m X 2m	0.8km & 4No	0.8km of road has been raised and graveled, 4 Box Culverts have been constructed	496,503,263	496,503,263	496,503,263	Completed
7	Dodoma MC	Construction of one Box Culvert of 4Cells of size 4m X 2.8m	1No	1 Box Culvert has been constructed	714,060,176	714,060,176	0	Completed
8	Gairo DC	Construction of three lines (15m long per line) of ring culverts of 1200mm diameter, One Box Culvert of 3 Cells of size 4m X 2.5m, Two Box Culverts of size 3m X 2.5m, One Box Culvert of size 3m X 2m. Fill for approach roads	4No & 45m (3lines) of concrete ring culverts	3 No. Box Culverts completed, 1 pipe culvert completed, 90% Overall progress	2,024,774,670	2,024,774,670	961,040,313	Under Implementation
9	Hai DC	Road formation by raising embankment for 3km at varying heights from 1.5m to 1.8m including gravel, Turfing for erosion control. Construction of concrete ring culverts of 900mm diameter 70m run, 4 Box Culverts: One Box culverts of 1 Cell of 2m X 1.5m, Two Box Culverts of 2 Cells of 2m X 1.5m and One Box Culvert of 3 Cells of 2m X 1.5m	3km, 4No & 70m (7lines) concrete ring culvert	4.7km, 4No & 90m (9lines) concrete ring culvert	1,803,147,675	1,803,147,675	1,803,147,675	Completed

S/No	LGA	Description of Works	Planned Activities	Physical Progress	Costs (TZS)	Amount Received (TZS)	Financial Progress (TZS)	Remarks
10	Kilombero DC	Package 1: Embankment raising 5.6km at 2m high including gravelling. Construction of 11 Box Culverts all single cells of size 3m X 2m Package 2: Embankment raising 5.645km at 2m high including gravelling. Construction of 12 Box Culverts all single cells of size 3m X 2m	5.6km & 11No	4.5km and 11No.58% overall progress.	3,474,811,612		1,147,185,149	Under Implementation
			5.645km & 9No	4Box Culverts are due to provide slab.2Box Culverts are due to steel fixing 2.5km are being raised.39% overall progress.	2,684,524,763	6,081,582,841	959,371,858	Under Implementation
11	Siha DC	Construction of Box Culvert along Kisutbe - Kirisha road	1No	1 Box Culvert, 13 lines of CPC and 2.5km of road have been has been constructed	966,181,217	966,181,217	966,181,217	Completed
				GRAND TOTAL	26,412,626,861	26,334,873,327	19,804,350,753	

With respect to Phase III of IRAT, projects were implemented in eight LGAs, namely: Bahi DC, Busokelo Dc, Dodoma MC, Kyela DC, Rungwe DC, Iramba DC, Rufiji DC and Songwe DC.

Up to 30th June 2017, TZS 18,915.94 million was released to the LGAs and TZS 5,313.74 million, equivalent to 28%, of the released funds was spent. The implementation of road works projects were at different stages. The status of the implementation of IRAT Phase III projects is summarized in Table 3-6 below.

Table 3.6: IRAT Phase III - removal of road bottlenecks progress report as by June 30, 2017

S/ No	LGA	Description of Works	Planned Activities (Length (km)/Bridge (No.)/Culvert (No.))	Physical Progress	Costs (TZS)	Amount of Funds Received (TZS)	Financial Progress (TZS)	Remarks
1	Busokelo DC	LOT 1: Construction of One Box Culvert along Kisegese - Kasyabone - Ntaba Road	1	One box Culvert completed 97%	444,387,746		157,102,502	Under Implementation
		LOT 2: Construction of One Box culvert single cell with 5x2.5m and One box culvert double cells each with 5x4m along Shelui - Mtoa Road	1.8km 3No & 5lines	3 box culverts completed, and clearance completed, raise of embankment on progress 50%	967,752,685		0	Under Implementation
		LOT 3: Construction of One Bridge along Kandete - Ikubo road	1No.	All 18 piles are completed. Pile cape completed. Both abutment 5.4m are completed 52%.	1,220,376,168	4,957,062,770	462,640,125	Under Implementation
		LOT 4: Construction of One Box Culvert along Ngana - Lukwego - Kibole Road	1No.	One box Culvert completed 97%.	293,349,257		140,000,000	Under Implementation
2	Dodoma MC	LOT 7: Construction of 11.8km road section and One Box Culvert along Lusanje - Bumbigi - Luteba	11.8km & 1No.	One box culvert completed and 20 lines culverts are completed. For road Clearance is done. 50%.	2,031,196,913		184,840,333	Under Implementation
		Construction of Three Box Culverts along Mahomamakulu - Mahomanyika - Nzuguni road	3No.in contract.1No in BOQ.	All 4 Box Culverts completed. The works is 100% of the total works.	843,985,028	843,985,028	482,101,665	Completed
3	Kyela DC	LOT 1: Construction of 10.08km road section and Three Box Culverts along Njisi - Muungano Road	10.08km & 3No.	Clearance is completed, road bed formation and filling of G3 material is in progress and also 1Multi Box culvert and 3 box culverts are completed. General progress of work is 45% of the total works.	2,020,023,981	3,227,945,780	299,568,225	Under Implementation
		LOT 2: Construction of One Box culvert single cell with 5x2.5m and One box culvert double cells each with 5x4m along Shelui - Mtoa Road	6.88km & 6No.	Clearance is completed, road bed formation and filling of G3 material is in progress and also 1Multi Box culvert and 3 box culverts are completed. General progress of work is 45% of the total works.	1,423,397,094		476,072,176	Under Implementation
		LOT 3: Construction of 11.87km road Section and 2 Box Culverts along Bujonde - Lubaga	11.87 km & 2No.	Clearance, grubbing 3%.	2,401,232,704		0	Under Implementation
4	Bahi DC	LOT 2: Construction of One Box culvert single cell with 5x2.5m and One box culvert double cells each with 5x4m along Shelui - Mtoa Road	8.6km & 1No.	Completed Box culvert with 6 cells, and 8.6 km earthwork fill completed, 7.5 gravelling is completed. Gravelling are in progress. General progress of work is 95% of the total works.	1,601,762,282	3,231,531,196	920,281,728	Under Implementation
		LOT 3: Construction of One Bridge (60m) along Shelui - Mtoa Road.	1No.	Completed 37 piles out of 37piles. Pile cape casting is ongoing. General progress of work is 55% of the total works.	2,224,288,789		912,773,268	Under Implementation

S/No	LGA	Description of Works	Planned Activities (Length (Km)/Bridge (No.)/Culvert (No.))	Physical Progress	Costs (TZS)	Amount of Funds Received (TZS)	Financial Progress (TZS)	Remarks
5	Rungwe DC	LOT 1: Construction of One Box Culvert along Kisege - Kasyabone - Ntaba Road	1 No.	Steel fixing 2m for one abutment is completed. General progress of work is 20% of the total works.	1,293,995,670	1,832,391,503	218,130,699	Under Implementation
		LOT 2: Construction of One Box culvert single cell with 5x2.5m and One box culvert double cells each with 5x4m along Shelui - Mtoa Road	1No.	Excavation completed. Casting of 7m out of 8m for one abutment and 4.5m out of 8m of second abutment are in progress. General progress of work is 37% of the total works.	1,364,629,043		230,037,467	Under Implementation
6	Iramba DC-SNGDA	LOT 1: Construction of Two Box Culvert with double cells each of 5x4m along Shelui - Mtoa Road	2No. Culverts	Bed casting are completed for all box culverts. Vertical steel reinforcement completed. Casting and road approaches are ongoing 60%.	3,695,653,026	497,617,500	0	Works were ongoing
		LOT 2: Construction of One Box culvert single cell with 5x2.5m and One box culvert double cells each with 5x4m along Shelui - Mtoa Road	2No. Box Culverts	Bed casting are completed for all Box culverts. Vertical steel reinforcement completed. Casting and road approaches are ongoing 60%.	435,263,200		0	Works were ongoing
7	Kibiti DCPWN	LOT 3: Construction of One Bridge (60m) along Shelui - Mtoa Road.	1 bridge	Mobilization, clearance and excavations are completed 15%		2,586,788,894	457,801,634	Works were ongoing
		Construction of One Bridge (60m) along Mbuchi - Mbwera Road	1 bridge	Mobilization stage 0%	2,606,708,599	1,303,354,299	372,386,943	The Works stopped due to rain but currently it is ongoing.
				TOTAL	24,432,738,984	18,915,940,169	5,313,736,764	

3.8.3 Partnership for Growth (PFG)

USAID, through Feed the Future Programme, aimed at improving 1,000 km in the four LGAs (i.e. Kilombero DC, Mvomero DC, Kongwa DC and Kiteto DC) where phase one with a total of 179.8 km of roads were improved in the financial year 2015/16, at a cost of TZS 8,745.48 million.

Phase II of the Programme had targeted to improve a total of 304.10 km in the same LGAs at an estimated cost of US\$ 10 million [equivalent to TZS 22,000 million]. During this reporting period; the status of the implementation of the Programme was at different stages at a cost of TZS 21,484 million as shown in Table 3-7 below.

Table 3 7: Status of Implementation of projects under PFG - Phase II

COUNCIL	PROJECT/ ACTIVITY	Project Budget (TZS MILL)	Plan		Progress		Remarks
			Physical Km/No	Financial (TZS MILL)	Physical Km/No	Financial (TZS MILL)	
Kilombero DC	Kalengakelu – Titu	637.8	7.0Km	637.8	0	0	Under Implementation
	Ikule – Ilungusha – Mkangawalo	896.9	8.0Km	896.9	0	0	Under Implementation
	Kisawasawa – Mpanga	610.4	9.0Km	610.4	0	0	Under Implementation
	Mhelule – Bwawa la Chumvi	375.9	5.0Km	375.9	0	0	Under Implementation
	Mang’ula B – Msalise	643.3	6.0Km	643.3	0	0	Under Implementation
	Mang’ula A – Kanyenja	633.1	7.0Km	633.1	0	0	Under Implementation
Kiteto DC	Rehabilitation of Orkine – Songambe	720	8.2Km	737.7	0	0	Under Implementation
	Namelok – Loltepes – Sunya road	3,876.60	44.0Km	3,866.70	0	0	Under Implementation
	Namelok – Loltepes – Sunya road	3,876.60	44.1Km	2,688.00	0	0	Under Implementation
Mvomero District Council	Rehabilitation works along Doma - Msongozi. road	1,176.00	19.0Km	1,176.00	0	0	Under Implementation
	Rehabilitation works along Msongozi - Magali - Yowe road.	1,412.00	23.0Km	1,412.00	0	0	Under Implementation
	Rehabilitation works along Lukobe - Kimambila road.	701	11.0Km	701.1	0	0	Under Implementation
	Design and Supervision of various Roads, Doma - Msongozi 19.0Km(Lot.01), Msongozi - Magali - Yowe 23.0Km(Lot.02), Lukobe - Kimambila 11.0Km(Lot.03) and Turiani - Mhonda -Ubiru 14.0Km(Lot.04)	548.2		548.2	0	0	Under Implementation
Kongwa DC	Mtanana – Makawa road	1,586.20	24.8Km	1,586.20	0	0	Under Implementation
	Ugogoni – Kibaigwa road	2,112.90	30.0Km	2,112.90	0	0	Under Implementation
	Njoge – Makutupa – Ngese road	1,372.60	15.0Km	1,372.60	0	0	Under Implementation
	TOTAL	21,179.50	264.1Km	19,998.70	0	0	

3.8.4 Programme on Improvement of Rural Roads Funded by the European Development Fund (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 in two regions, namely: Iringa (Iringa DC and Mufindi DC) and Ruvuma (Songea DC and Mbinga DC).

Up to 30th June 2017, the implementation of works was at different stages. A total of TZS 18,307.59 million, equivalent to 46.5%, was utilized out of the approved budget of TZS 39,352.00 million. The status of implementation for each project is described in Table 3-8 below.

The second component of the project was Technical and Managerial Capacity Building of PORALG– Road Sector. Up to 30th June 2017, two training on Labour Base Technology and alternative surfacing choices for sustainability had been conducted to 36 Engineers and 21 Technicians, from the targeted regions as well as PORALG.

Table 3 8: Status on Improvement of Rural Roads Funded by the EDF

LGA	PROJECT/ ACTIVITY	Project Plan		Progress		Remarks
		Financial (TZS mil.)	Physical (Km)	Physical (Km)	Financial (TZS mil.)	
IRINGA DC	Upgrading of Kising'a - Isimanitarafani road	14,580	34.967	15.05	8,645	Under Implementation
MUFINDI DC	Upgrading of Kitiru - Itulituli road	7,677	14.971	10.5	4,947	Under Implementation
SONGEA DC	Upgrading of Peramiho - Morogoro Village and Peramiho -Lundusi road	5,188 13,769	-	1,190		Under Implementation
MBINGA DC	Upgrading of Longa - Kipololo - Litoho A	6,353	13.5	-	2,048	Under Implementation
	Upgrading of Longa - Kipololo - Litoho B	5,554	11.454	-	1,478	Under Implementation
TOTAL		39,352	88.661	25.55	18,308	

3.9 CHALLENGES AND WAY FORWARD IN IMPLEMENTING ROAD WORKS IN LGAS

In a course of executing road works financed by the Fund, various challenges were encountered by the Local Government Authority as listed below.

Table 3 9: Challenges and Way Forward

S/N	Challenges	Way Forward
1)	Inadequate and un-timely release of roads fund which lead to delayed implementation of projects	PORALG in collaboration with RFB were making follow-up from Ministry of Finance and Planning to make sure that funds were available and released on time.
2)	Under performance of some contractors.	Thorough post-qualification exercise during procurement process to be enhanced
3)	Inadequate Quality Control equipment in some LGAs	PORALG in collaboration with RFB procured test kits for quality control.

AUDITORS' OPINION ON FINANCIAL STATEMENTS OF PORALG

2.4 AUDITORS' OPINION ON FINANCIAL STATEMENTS OF PORALG

In addition to the above performance assessment, the Controller and Auditor General under the National Audit Office conducted an audit of financial statements of PORALG for the Financial Year and issued a professional opinion as summarized below.

2.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

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

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

Unqualified Opinion

I have audited the Accompanying Financial Statements of Road Fund for President's Office Regional Administration and Local Government which comprise the Statement of Financial Position as at 30th June, 2017 and the Statement of Financial Performance, the Statement of Changes in Net Assets/Equity, the Cash Flow Statement and the Statement of Comparison of Budget and Actual amounts for the year then ended, as well as the Notes to the Financial Statements, Including a Summary of Significant Accounting Policies set out from page 8 to 13.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Road Fund for PO RALG as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and in the manner required by the Public Finance Act, 2001 revised 2004.

Basis for Opinion

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

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

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

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

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

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the Financial Statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters to communicate in my report.

Responsibilities of Management and those charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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


Prof. Mussa Juma Assad
CONTROLLER AND AUDITOR GENERAL

March, 2018

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**Permanent Secretary and Paymaster General,
Ministry of Finance and Planning,
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P.O. Box 2802,
DODOMA.**

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

**THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
ROAD FUND**

1.0 INTRODUCTION

PORALG in collaboration with Ministry of Works has been implementing Road Fund activities through Road Fund Board since 2000/2001. In vision of 2017 and associated policy, planning and budgeting documents, the Government of Tanzania (GoT) has identified the provision of rural road and rural energy sources as the key issues to be addressed in ensuring economic growth and contributing to poverty reduction.

During 2016/2017 PORALG was responsible for monitoring and coordination of maintenance of the recorded 24,598.43 KMs routine maintenance of which 14,947.37 KM were actual performance, 5,413.61 KMs sport improvement were planned and its actual performance were 3,232.17 KMs. Periodic maintenance were 3,882.45 KMs planned and actual performance were 2,631.14 KMs. In addition PORALG planned to construct 201.95 KM to gravel standard and 44.45 KM to paved standard. To date 88.17 KM of gravel were constructed up to fourth quarter.

The Road and Fuel Tolls Act

The Road Fund (RF) were established in 1998 through the enactment of Roads Tolls (Amendment) (No.2) Act. Implementing agencies are TANROADS in respect of trunk and Regional roads and Local Government Authorities (LGAs) in respect of District and Urban roads. 70% of the fund is allocated to trunk and regional roads and 30% to district, urban and feeder roads.

1.1 Road Fund Board

This Board is comprised of nine Members, four from the public sector and five from the private sector. The members are Chairperson (outside Public Sector), the Permanent Secretary, Ministry of Works, the Permanent Secretary, Ministry of Finance, the Permanent Secretary, President's Office Regional Administration and Local Government, Director from Ministry of Works, representative from Tanzania Truck Owners Association,

Representative from Tanzania Association of Tour Operators, representative from Tanzania Chamber of Commerce, Industry and Agriculture, and representative from Tanzania Confederation of Co-operatives. The tenure of the Board is 3 years.

1.2 Vision

A leading institution in empowering Tanzania to improve their quality of life and eradicate poverty through a capable Regional Administration and effective efficient accountable and autonomous Local Government.

THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
ROAD FUND

1.3. Mission

In order to move towards the realization of the vision in the short and medium Term PO-RALG will-

Administer Regional Administration and Promote Urban and Rural Development management policies Champion decentralization

1.4. Objective and targets of Road Fund.

The objective of Road fund under PO-RALG is to support PO-RALG RS and LGAs in managing Local Authority Road Network.

1.5 OVERVIEW OF FINANCIAL MANAGEMENT

The Road Fund (RF) were established in 1998 through the enactment of Roads Tolls (Amendment) (No.2) Act. Implementing agencies are TANROADS in respect of trunk and regional roads and Local Government Authorities (LGAs) in respect of district and urban roads. 70% of the fund is allocated to trunk and regional roads and 30% to district, urban and feeder roads. At least 90% of the money deposited in the Fund for LGAs is allocated for maintenance and emergency repair of classified roads in Mainland Tanzania and not more than 10% of the money for roads development. The Road Fund is the primary source of funding for the road sector at district level.

The fuel levy is the main source of revenue for the RF (>96%) and is collected by the Tanzania Revenue Authority (TRA). This money is transferred monthly by the Ministry of Finance and Planning (MoFP) to the RFB through its normal cash management procedures. The budgeting process follows the government's calendar. For maintenance monies, allocation of funds is based on various factors including length of network, condition and surface type of roads in LGAs. Guidance on the selection of specific roads requiring maintenance and development is provided by the Road Fund Board (RFB) and President Office Administration and Local Government (PO-RALG). For maintenance and development project planning, budgeting and prioritization purposes, LGAs conduct Annual District Roads Inventory and Condition Survey (ADRICS). For development funds, LGAs submit their requests to the PO-RALG who prioritize the submissions based on various factors e.g. economic and social benefit. The budget proposal is then submitted to the Roads Fund Board for approval.

In some districts, community involvement through the Obstacles and Opportunities participatory planning mechanism is used.

Performance agreement is signed between RFB and PO-RALG on behalf of the implementing authorities and also between PO-RALG and the individuals LGAs. These agreement set out in details the planned work and from the basis of all monitoring and auditing activities.

For road maintenance purposes, the funds flow directly from the RFB to the implementing LGAs and TANROADS. The amount that is distributed monthly to individual LGAs is decided by PO-RALG based action plan in the annual performance agreement and spending level of LGAs, at the end of the day LGAs receive 100% of their budget allocation over 12 to 15 month period. The development portion of the road fund is allocated to the MOW for regional and trunk roads and to the LGAs for Urban, District and Feeder roads. The distinction between road development and road maintenance is that development projects are intended for rehabilitation of gravel or paved roads and upgrading of gravel road to paved standard while maintenance are intended for maintainable roads in good and fair roads

A separate road Fund bank account is maintained at each LGAs but procurement and payment procedures follow General Government Guidelines. Progress reports are prepared quarterly and a separate end of the year financial statements is produced by each LGA's. The audit of all Local Government Authorities is done by the National Audit Office who conduct audit of the road fund account at each level. The national Audit office issue report and management letter, then send to Road Fund Board. Furthermore RFB commission Consultants to carry out technical audit for ensuring value for money.

**THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
ROAD FUND**

2.0 BUDGET, TRANSPARENT AND CONSISTENCY AND COMMENTARY TO THE FINANCIAL STATEMENTS.

2.1 Budget

The Management implemented its approved annual budget of the Road Fund. The implementation for financial year 2016/17 was based on the Ministry's Vision, Mission, Objectives and Targets. During 2016/17 the Road Funds approved budget was TZS. 247,577,330,000.00

2.2 Action Plan

The action plan for the road fund in LGAs and PO-RALG is prepared based on the Performance Agreement signed between Road Fund Board and the President Office, Regional Administration and Local Government which include LGAs, PO-RALG head quarter and Regional Administration Secretariats. During 2016/17 performance agreement signed between PO-RALG and Road Fund Board for the implementations of activities worth budget of TZS . 247,577,330,000.00. Where by Maintenance for LGAs roads budget including development project and emergency/urgency roads/bridges and culverts was TZS.225,118,840,000.00, and other cost of monitoring and supervision was TZS. 22,458,490,000.00.

2.3 Fund received

During the year 2016/17 a total of TZS. 39,935,681,542.56 was received. Out of which TZS. 33,226,709,255.05 was received from Road Fund Board, TZS. 6,166,874,495.51 from DFID and Tzs.542,097,792.00 been refund from PO RALG and donation from NMB Bank during stakeholders meeting.

2.4 Fund available

During the year 2016/17 fund available was TZS 51,236,096,052.82 out of which TZS.11,300,414,510.26 was the opening balance as at 1st July 2016 and TZS. 39,935,681,542.56 was the amount received during the year 2016/2017.

2.5 Expenditure and Fund balance for the financial year 2016/17:

In financial year 2016/2017 total payments of both current and previous financial years was TZS. 44,278,342,772.91, hence the remaining balance is TZS.6, 957,753,279.91

2.6 Property, plant and equipment

During the financial year 2016/17 TZS 143,897,949.02 was used for purchases of assets and were added to the PPE.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at Bank .The balances as at, 30th June 2017 is TZS.6,957,753,279.91

2.8 AUDITORS

The Controller and Auditor-General (CAG) is the statutory auditor for the project pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2000), Section 9 – 12 of the Public Audit Act, 2008, and Public Finance Act No 6 of 2001 (revised 2004).


.....
Melton E Nyella
Chief Accountant

Date: 30/9/2017


.....
Elina Kayanda
Director of Infrastructure Development

Date: 30/9/2017

THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
ROAD FUND

3.0 STATEMENT OF MANAGEMENT RESPONSIBILITY FOR THE YEAR
ENDED 30 JUNE 2017

These financial statements have been prepared by the management of the PORALG in accordance with the provisions of section 25(4) of the Public Finance Act, No 6 of 2001. The financial statements comply with generally accepted accounting practices as required by the said Act and are presented in a manner consistent with the International Public Sector Accounting Standard Accrual Basis (IPSAS)

The management of PORALG is responsible for establishing and maintaining a system of effective Internal Control designated to provide reasonable assurance that the transactions recorded in the accounts are within the statutory authority and that they contain the receipt and use of all public financial resources by the PORALG.

To the best of my knowledge, the system of Internal Control has operated adequately throughout the reporting period and that the accounts and underlying records provide a reasonable basis for the preparation of the financial statements for the financial year 2016/17

I accept responsibility for the integrity of the financial statements, the information it contains, and its compliance with the public finance act No. 6 of 2001 (revised 2004) and the instructions issued by the Treasury in respect of the year under review.



.....
ELINA KAYANDA

DIRECTOR OF INFRASTRUCTURE DEVELOPMENT

For: Permanent Secretary

30/9/2017

.....
DATE

THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
ROAD FUND

STATEMENT OF DECLARATION OF THE HEAD OF FINANCE FOR THE PERIOD ENDED 30TH JUNE, 2017

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, require Financial Statement to be accompanied with declaration issued by the Head of Finance/Accounting responsible for preparation of Financial Statement 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 the 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, Melton E, Nyella being the Head of Finance/Accounting of the President's Office Regional Administration and Local Government hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June, 2017 have been prepared in accordance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of The President's Office Regional Administration and Local Government's ROAD FUND as on that date and that they have been prepared based on properly maintained financial records.

Signed By: 


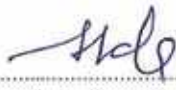
Position: CA

NBAA Membership No. NBAA/GA No: 1552

Date: 30/9/2017

THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
ROAD FUND

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2017

ASSETS	NOTES	2016/2017	2015/2016
CURRENT ASSETS			
Cash and Cash equivalent	11	6,957,753,279.91	11,300,414,510.26
Receivables	12	247,752,832.00	2,562,409,769.44
TOTAL Current Assets		7,205,506,111.91	13,862,824,279.70
Non Current Assets			
Property Plant and Equipment	13	530,855,105.10	407,487,526.00
TOTAL Non Current Assets		530,855,105.10	407,487,526.00
Total Assets		7,736,361,217.01	14,270,311,805.70
LIABILITIES			
Current Liabilities			
			6,873,167.99
Non Current Liabilities			
		-	-
TOTAL LIABILITIES		-	6,873,167.99
NET ASSETS		7,736,361,217.01	14,263,438,637.71
TAXPAYERS/Donors FUND			
		7,736,361,217.01	14,263,438,637.71
Revolution surplus			
		-	-
TOTAL NET ASSETS/EQUITY		7,736,361,217.01	14,263,438,637.71
 Melton Nyella Chief Accountant			
 Elina Kayanda Director of Infrastructure Development			
Date: 30/9/2017		Date: 30/9/2017	

**THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
ROAD FUND**

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2017

	NOTES	2016/2017	2015/2016
REVENUE			
Road Fund Board /DFID	5	39,393,583,750.56	35,092,186,168.81
Other receipts	6	542,097,792.00	-
TOTAL REVENUE		39,393,583,750.56	35,092,186,168.81
EXPENSES AND TRANSFERS			
Wages and Salaries and Employee benefits	7	46,000,000.00	209,017,000.00
Supplies and Consumables goods	8	4,912,460,645.19	7,854,405,344.56
Routine Maintenance and repairs	9	12,154,766.00	88,170,351.84
Depreciation	13	20,530,369.92	-
Current grants ,Transfer and subsidies	10	27,863,414,901.95	18,778,694,951.42
TOTAL EXPENSES		32,854,560,683.06	26,930,287,647.82
Surplus/(deficit) for the Period		6,539,023,067.50	8,161,898,520.99



Melton Nyella
Chief Accountant

Date: 30/9/2017



Elina Kayanda
Director of Infrastructure Development


Date: 30/9/2017

THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
ROAD FUND

STATEMENT OF CASHFLOW FOR THE PERIOD ENDED JUNE 30,2017

DESCRIPTION	2016/2017	2015/2016
Cash flow		
Receipts from Road Fund	39,393,583,750.56	37,451,164,054.25
Other Receipts	542,097,792.00	142,965,478.20
Total Receipts	39,935,681,542.56	37,594,129,532.45
PAYMENT		
wages and Salaries and Employee	46,000,000.00	209,017,000.00
Supplies and Consumables	4,912,460,645.19	7,854,405,344.56
Routine maintaince and repairs	12,154,766.00	88,170,351.84
Transfer and Subsidies	39,163,829,412.70	18,778,694,951.42
Loan		393,454,292.00
TOTAL PAYMENTS	44,134,444,823.89	27,323,741,939.82
Net Cashflow from operating	(4,198,763,281.33)	10,270,387,592.63
CASHFLOW FROM INVESTING ACTIVITIES		
Proper,Plant and Equip	143,897,949.02	2,358,977,885.44
Total Non current assets	143,897,949.02	2,358,977,885.44
Net cash flow from Investing Exp	(4,342,661,230.35)	7,911,409,707.19
Cash flow from Financing activities		
Financing activities	-	-
Net cash flow from Financing activities	-	-
Net Increase (decrease) in cash	(4,342,661,230.35)	7,911,409,707.19
Cash and cash equivalent at the Beginning of the year	11,300,414,510.26	3,389,004,803.07
Cash and cash equivalent at the end of the year	6,957,753,279.91	11,300,414,510.26


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Melton Nyella
Chief Accountant
Date: 30/9/2017


.....
Elina Kayanda
Director of Infrastructure Development
Date: 30/9/2017

THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
ROAD FUND

STATEMENT OF CHANGES OF NET ASSET FOR THE YEAR ENDED 30 JUNE 2017

Description	Taxpayerfund TZS	Revaluation Surplus/Deficit	Accumulated Surplus/Deficit TZS	Total TZS
Balance at 1 July 2016	1,232,155,954.37		13,031,282,688.34	14,263,438,637.71
Capital Fund received				-
Adjustment Tax payersfund				-
Revaluation surplus/ (Deficit)				-
Surplus / (Deficit) for the year				-
Transfer to and from surplus / deficit				-
Balance at 30 June 2017				-
Changes in revaluation surplus/ (deficit)				-
Surplus/ (deficit) for the year	-		6,539,023,067.50	6,539,023,067.50
Transfer to and from surplus / deficit				
Balance at 30 June 2017	1,232,155,954.37	-	19,570,305,750.84	20,802,461,705.21

THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
ROAD FUND

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
FOR THE YEAR ENDED 30TH JUNE 2017

Budget Approved was prepared on Cash Basis

	Actual Amount (A) TZS	Final Budget (B) TZS	Original Budget (C) TZS	Difference (B-A) TZS
Fund received	39,393,583,750.56	247,577,330,000.00	247,577,330,000.00	208,183,746,249.44
Other receipts	542,097,792.00	-	-	(542,097,792.00)
TOTAL RECEIPTS	39,935,681,542.56	247,577,330,000.00	247,577,330,000.00	207,641,648,457.44
Payments				
Wages and employee benefits	46,000,000.00	46,000,000.00	46,000,000.00	-
Supplies and Consumable	4,912,460,645.19	22,188,592,050.98	22,188,592,050.98	17,276,131,405.79
Routine Maintenance and repairs	12,154,766.00	80,000,000.00	80,000,000.00	67,845,234.00
Purchase of Non current Assets	143,897,949.02	143,897,949.02	143,897,949.02	-
Current grants, Transfer and subsidies	27,863,414,901.95	225,118,840,000.00	225,118,840,000.00	197,255,425,098.05
TOTAL PAYMENTS	32,977,928,262.16	247,577,330,000.00	247,577,330,000.00	214,599,401,737.84


.....
Melton Nyella
Chief Accountant
Date: 30/9/2017


.....
Elina Kayanda
Director of Infrastructure Development
Date: 30/9/2017

THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
ROAD FUND

NOTE NO 13 : PROPERTY ,PLANT AND EQUIPMENT

DESCRIPTION	Op. Balance / Revaluation 01 July 2016	Additions during the year	Total Assets	Annual Depreciation/Impa riment	Cummulative Depreciation	Net Book Value 30/6/2017
Leasehold land	347,552,100.00	-	347,552,100.00	-	-	347,552,100.00
Office and residential furnitures	33,400,000.00	-	33,400,000.00	6,680,000.00	6,680,000.00	26,720,000.00
Office/laboratory equipments	-	99,644,481.88	99,644,481.88	3,528,724.50	3,528,724.50	96,115,757.38
Computers	26,535,426.00	44,253,467.14	70,788,893.14	10,321,645.42	10,321,645.42	60,467,247.72
TOTAL	407,487,526.00	143,897,949.02	551,385,475.02	20,530,369.92	20,530,369.92	530,855,105.10


Melton Nyella
Chief Accountant
Date: 30/9/2017



Elina Kayanda
Director of Infrastructure Development
Date: 30/9/2017

THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
ROAD FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2017

1.0 General Information.

The Road Fund (RF) were established in 1998 through the enactment of Roads Tolls (Amendment) (No.2) Act. Implementing agencies are TANROADS in respect of trunk and Regional roads and Local Government Authorities (LGAs) in respect of District and Urban roads. Seventy per cent of the fund is allocated to trunk and regional roads and thirty per cent to district, urban and feeder roads.

PLACE OF OPERATION/BUSINESS

President's Office
Regional Administration and Local Government
P.O.Box 1923
Tel (026) 2322848
Dodoma, Tanzania.

BANKERS

Bank of Tanzania
10 Mirambo Street
P.O.Box 2939
Dar es Salaam, Tanzania

LAWYERS

Attorney General
P.O.Box 9050
Dar es Salaam, Tanzania.

ACCOUNTING OFFICER OF THE VOTE

Eng. Mussa I. Iyombe
Permanent Secretary
President's Office
Regional Administration and Local Government
P.O.Box 1923
Dodoma,
Tanzania

AUDITOR

The Controller and Auditor General
The National Audit Office
P.O.Box 9060
Dar es Salaam,
Tanzania

THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
ROAD FUND

2.0 Basis of Preparation.

The financial statements have been prepared in accordance with the requirements of Public Finance Act No. 6 of 2001, and comply with Accrual Basis of IPSAS *Financial Reporting under the Accrual Basis of Accounting*

The accounting policies have been applied consistently throughout the period.

3.0 Authorization Date.

The financial statement will be authorized for issue/publication on 30th March 2018.

4.0 Reporting Entity.

The financial statements of Road Fund are set to present Vote 56 President's Office Regional Administration and Local Government which is the reporting entity.

Property, plant and equipment

The project has adopted the provisions of Sections 95 of IPSAS 17 Property (PPE). The PPE is stated at cost less Accumulated depreciation and accumulated impairment. Depreciation is calculated on straight line basis over the useful life of the Asset. The annual rates of depreciation which are applied based on Government policy are as defined bellow:

No	Asset Category	Estimated Useful life Yrs
1.	Plant and Machinery	15
2.	Furniture and fixture	5
3.	Office Equipment	5
4.	Motor Vehicles Light duty (below 5 tons)	5
5.	Computer (Desk tops and laptops)	4

The amount of depreciation has been calculated on apportionment basing on the month of purchase

NOTE NO 5: FUND RECEIVED FOR ROAD FUND ACTIVITIES IN 2016/2017

DESCRIPTION	ERV.NO	FUND RECEIVED 2016/17	FUND RECEIVED 2015/2016
ROAD FUND BOARD	44052604	5,741,171,888.00	5,161,069,252.57
ROAD FUND BOARD	44052605	2,204,921,408.50	6,886,886,216.58
ROAD FUND DFID	44052607	348,296,581.44	3,288,695,158.29
ROAD FUND BOARD	44052608	1,582,296,677.74	638,449,135.95
ROAD FUND EL	44052614	5,000,000,000.00	2,968,660,342.00
ROAD FUND BOARD	44052613	943,360,235.62	6,514,240,000.00
ROAD FUND BOARD	44052615	660,666,543.07	847,080,410.63
ROAD FUND BOARD	44052616	1,062,296,677.74	2,000,000,000.00
ROAD FUND BOARD	44052617	7,188,933,220.15	2,455,667,000.00
ROAD FUND BOARD	44052618	8,018,672,925.61	509,739,538.23
ROAD FUND BOARD	44052619	6,500,000,000.00	6,180,677,000.00
ROAD FUND DFID	44052620	142,967,589.69	2,358,977,885.44
TOTAL		39,393,583,750.36	35,092,186,168.81

NOTE NO 6: OTHER RECEIPTS (refund of loaned Road fund and donation from NMB Bank during stakeholders meeting)

DESCRIPTION	ERV.NO	FUND RECEIVED 2016/17	FUND RECEIVED 2015/16
FS PORALG	44052601	333,022,000.00	142,965,478.20
NMB BANK	44052606	70,250,000.00	
FS PORALG	44052610	75,825,792.00	
FS PORALG	44052611	63,000,000.00	
TOTAL		542,097,792.00	142,965,478.20

NOTE NO 7: WAGES , SALARIES AND EMPLOYEE BENEFITS

DESCRIPTION	TZS JUNE 2017	TZS. JUNE 2016
Honoraria	46,000,000.00	209,017,000.00

NOTE NO 8: SUPPLIES AND CONSUMIBLES

	TZS JUNE 2017	TZS. JUNE 2016
Air Travel	76,861,231.00	65,719,763.84
Conference Facilities	435,166,400.00	875,179,300.00
Diesel	465,450,309.90	755,596,248.52
Electricity	9,000,000.00	10,000,000.00
Food and Refreshment	678,269,000.00	904,189,000.00
Purchase of Tyres	23,781,600.00	18,534,300.00

	2016/17	2015/16
Vehicles Insurance	21,362,000.00	16,062,253.80
Office Consumables	86,000,000.00	61,061,486.00
Per diem Domestic	1,637,367,700.00	1,849,437,074.20
Per diem Foreign	162,365,621.29	100,722,739.20
Tuition Fees	73,321,770.00	28,073,670.00
Consultant Services	931,300,013.00	2,002,109,509.00
Training	312,215,000.00	1,167,720,000.00
TOTAL	4,912,460,645.19	7,854,405,344.56

NOTE NO 9: ROUTINE MAINTANANCE AND REPAIRS

	TZS JUNE 2017	TZS. JUNE 2016
Motor Vehicle Maintenance	12,154,766	88,170,351.84

NOTE NO 10: CURRENT TRANSFER AND SUBSIDIES

	TZS. JUNE 2017	TZS. JUNE 2016
Development fund transfer to LGAs	19,235,021,136.95	11,672,368,716.87
Emergency fund Transfer to LGAs	4,694,378,700.00	6,516,988,575.93
Bottleneck Fund transfer to LGAs	3,934,015,065.00	589,337,658.62
TOTAL	27,863,414,901.95	18,778,694,951.42

NOTE NO 11: CASH AND CASH EQUIVALENT

	TZS 2016/207	TZS 2015/2016
CASH AT THE BANK OF TANZANIA AS AT 30 JUNE 2017	6,957,753,279.91	11,300,414,510.26

NOTE NO 12 : RECEIVABLES	TZS. JUNE 2017	TZS. JUNE 2016
DSC.	38,257,518.00	45,825,792.00
Outstanding Imprest	56,617,814.00	333,022,000.00
Njombe D.C	152,877,500.00	14,606,500.00
Total Receivables	247,752,832.00	393,454,292.00

PART
FOUR

PERFORMANCE OF TANROADS

4.1 INTRODUCTION

This chapter presents the status of performance of the activities that were implemented by TANROADS in FY 2016/17 in line with the Performance Agreement.

TANROADS' fund allocation as determined by existing allocation formula is 63% of the total Road Fund allocations. The funds are to be utilised in line with the Performance Agreement signed between the Agency and the Board.

The road maintenance works includes Routine/recurrent maintenance; Periodic maintenance; Spot improvement; Bridge preventive measures; Bridge major repairs; Weighbridge maintenance and improvement and emergency works.

4.2 MAINTENANCE BUDGET

During the period under review, TANROADS was allocated a total of TZS 519,870.382 million. The breakdown of this budget is shown in Table 4-1 below:

Table 4 1: Summary of Road Maintenance Budget for FY 2016/17

BUDGET COMPONENTS	AMOUNT (TSHS MIO.)	PERCENTAGE (%)
Trunk Roads	155,413	30%
Regional Road	247,953	48%
Emergency Works	15,600	3%
PMMR Projects Phase Two	4,107	1%
Weighbridge Maintenance & Improvements	26,880	5%
HQ Based Activities	8,388	2%
Total Woks	458,340	88%
Non- Works Components		
Administration Costs	20,755	4%
Supervision Costs	22,543	4%
Weighbridge Operation Costs	18,232	4%
Total Non- works	61,530	12%
TOTAL ROADS FUND	519,870	100%

Source: TANROADS & RFB.

4.3 ROAD NETWORK

TANROADS maintains the national road network which by 30th June 2017 was 35,000 km comprising of 12,786 km of trunk roads and 22,214 km of regional roads and its status of pavement roads is as analysed in Table 4-2 below.

Table 4 2: Roads Lengths June, 2017

Road type		Length (km)	Total Length (km)
Trunk	Paved	7,773	12,786
	Unpaved	5,013	
Regional	Paved	1,433	22,214
	Unpaved	20,781	
TOTAL		35,000	35,000

Source: TANROADS.

4.4 ROAD NETWORK CONDITION

The overall road network condition as assessed in June, 2017 was good because 87% of the network was in good/fair condition while only 13% was in poor condition. Table 4-3 and Table 4-4 below show a trend of national road condition as of June, 2017 and June, 2016.

Table 4 3: Road Network Condition Summary as of June 2017

Road Class	Good		Fair		Poor		Total	
	(km)	%	(km)	%	(km)	%	(km)	%
Regional Paved	635,764	53,320	27	248	21	1,203	100	
Trunk Paved	5,455	79	918	13	494	7	6,866	100
Regional Unpaved	5,399	27	11,578	58	2,883	15	19,860	100
Trunk Unpaved	969	29	1,889	57	438	13	3,297	100
Total Roads Network	12,459	40	14,704	47	4,063	13	31,227	100

Table 4 4: Road Network Condition Summary as of June 2016

Road Class	Good		Fair		Poor		Total	
	(km)	%	(km)	%	(km)	%	(km)	%
Regional Paved	480	53	185	21	233	26	897	100
Trunk Paved	4,584	72	1,053	17	706	11	6,342	100
Regional Unpaved	5,172	27	10,956	57	3,100	16	19,228	100
Trunk Unpaved	1,264	40	1,476	47	415	13	3,155	100
Total Roads Network	11,499	39	13,670	46	4,453	15	29,623	100

Picture 4 1: Mwigumbi – Maswa Road Section

Mwigumbi – Maswa Road recently upgraded to paved standard will be maintained using Roads Fund to keep it in good and safe condition

4.5 PHYSICAL AND FINANCIAL PERFORMANCE

Up to 30th June 2017, a total of TZS 486,705 million equivalent to 94% of the total annual budget was received by TANROADS and was spent accordingly.

4.5.1 Trunk Roads

The total expenditure for trunk roads was TZS 121,007 million against TZS 154,155 million which was 78% of the allocated funds, while physical performance achievement was 92%.

4.5.2 Regional Roads

Expenditure for Regional roads was TZS 189,709 million compared to the annual plan of TZS 249,210 million which was 77% of the allocation; and the physical performance achieved 88% against annual targets. The detail of annual performance is shown in the table below:

Table 4 5: Performance of FY 2016/17 Programme

ACTIVITY	UNIT	PHYSICAL			FINANCIAL (TZS mil.)		
		Annual Plan	Cumm. Actual	Actual (%)	Annual Plan	Cummulative Actual	Actual (%)
Routine & Rec. - P	km	5,368.1	5,127.8	96	34,723	29,850	86
Routine & Rec. - Up	km	2,883.0	2,583.9	90	13,912	10,958	79
Periodic mtce - P	km	285.5	255.2	89	71,470	54,707.77	
Periodic mtce - Up	km	685.1	652.7	95	17,771	15,142	85
Spot Impr - P	km	12.9	10.5	82	1,775	1,292	73
Spot Impr.t - Up	km	180.1	160.2	89	2,732	2,177	80
Sub-total	km	9,414.6	8,790.3	93	142,383	114,126	80
Bridges Preventive	No.	1,478	1,263.5	86	2,605	1,780	68
Bridges repairs	No.	56	51.6	93	10,424	5,102	49
Sub-total bridges	1,533	1315	86	13,029	6,882	53	
Overall Percentage				92	155,413	121,008	78
REGIONAL ROADS PERFORMANCE							
Routine & Rec. - P	km	971.1	879.3	91	6,528.567	5,350.200	82
Routine & Rec. - Up	km	14,947.2	13,765.7	92	67,557.852	54,785.830	81
Periodic mtce - P	km	107.2	92.9	87	45,091.189	31,644.760	70
Periodic mtce - Up	km	2,897.3	2,578.5	89	76,154.347	57,988.896	76
Spot Impr - P	km	14.0	13.8	99	2,660.510	2,143.636	81
Spot Impr.t - Up	km	687.1	591.2	86	15,414.175	11,228.474	73
Sub-total	km	19,623.9	17,921.5	91	213,407	163,142	76
Bridges Preventive	Nos.	1,397	1,259	90	2,971.039	2,260.537	76
Bridges repairs	Nos.	199	161	81	31,574.920	24,307.282	77
Sub-total bridges		1,596	1,419	89	34,546	26,568	77
Overall Percentage			88	247,953	189,710	77	
GRAND TOTAL FOR WORKS	km	29,038.5	26,711.8	90	403,365	310,717.77	
	Bridges	3,130	2,734				

Up to 30th June 2017, the physical and financial performance was 90% and 77% respectively. Figure 4-1 shows the trend of physical and financial performance of TANROADS overtime.

Figure 4 1: Trend of Physical and Financial Performance

Source: TANROADS & RFB.

4.5.3 Emergency Works

During the year under review, 11 regions had cases of emergency works caused by heavy rains from December 2016 to June 2017. The rains caused damages to roads and bridges that led to the closure of some roads or impassability of them, for some time. The cost for the restoring of the damaged roads and structures was estimated to be TZS 21,355 million. A total of TZS 12,309 million was spent for emergency works. The rest of requirements was to be taken care in subsequent financial year.

4.5.4 Performance-Based Management and Maintenance of Roads (PMMR)

During the reporting period, a total of 3000km were selected from 9 regions for PMMR Project Phase II. The 9 selected regions were Arusha, Coast, Geita, Kagera, Katavi, Mwanza, Rukwa, Simiyu and Tanga. By the end of the financial year, the procurement process for contractors to implement the project were still ongoing.

4.5.5 New Weighbridge projects

During the year under review, the following projects related to weighbridges were under implementation:

- (i) Construction of Kurasini Weighbridge Station;
- (ii) Construction of Dakawa Magereza Weighbridge Station;
- (iii) Weighbridge CCTV Management System;
- (iv) Construction of Weigh in Motion (WIM) station, supply and installation Weigh-in-Motion Scales at Nala, Njuki, Wenda and Mpemba Weighbridge Stations; and
- (v) Development and installation of a software solution for charging, collection and transfer of the weighbridge overloading fees and other related charges from weighbridge Stations to a dedicated bank account.

4.6 VEHICLE AXLE LOAD CONTROL AND WEIGH BRIDGE MANAGEMENT

The Vehicle Load Control Programme in the FY 2016/17 comprised of operations of weighing vehicles at 40 permanent stations, and 22 mobile sites. A total of 3,661,729 vehicles were weighed throughout the country. Out of these vehicles weighed; 1,098,516 vehicles were found to be overloaded. This is 30% of the weighed vehicles. Out of the overloaded vehicles, 39,737 vehicles only (equivalent to 1.09%) were found to be overloaded beyond the allowable 5% and hence were charged accordingly.

For the best performance in axle control, repair and improvement of weighbridges activities were performed. The costs incurred in carrying out weighbridge maintenance and repair was TZS 881 million.

4.7 HEAD OFFICE BASED MAINTENANCE ACTIVITIES

These are activities related to roads maintenance works which are managed by TANROADS Head Office. The performance in the year were as shown in Table 4.6 below:

Table 4-6: HQ Based Maintenance Activities

S/N	Activity	Planned Expenditure [TZS million]	Actual Expenditure [TZS million]	% of Achieved
1	Road Maintenance Management Systems	840	686	82%
2	Road Data Collection	860	692	81%
3	Bridge Maintenance Management System	490	405	83%
3.1	Crane Lorry Shed and Emergency Bridge Parts Storage	123	123	100%
3.2	Maintenance Cost for Crane Lorry	45	41	90%
4	Road Safety, Environmental and Social Activities	3,280	2,630	80%
5	Road Act Enforcement	980	733	75%
6	Traffic Count Equipment	1,000	800	80%
7	Important Signs for People with Disabilities	750	594	79%
TOTAL		8,368	6,704	

4.7.1 ADMINISTRATION AND SUPERVISION COSTS

The maintenance activities were financed together with related costs which are as indicated in table 4-7 below:

Table 4.7: ADMIN.& SUPERVISION COSTS

S/N	Activity	Planned Exp.	Actual Exp.	% of Achieved
1	Administration costs	20,755	17,060	82%
2	Supervision	22,543	21,861	97%
3	Weighbridge Operations	18,232	17,341	95%
TOTAL		61,530	56,261	91%

4.8 MAINTENANCE CHALLENGES FOR NATIONAL ROADS

The Agency has been facing several challenges in the course of implementing the road maintenance programmes. The main challenges and measures taken to overcome them are as follows:

S/N	Challenges	Way Forward
1)	Inadequate and untimely release of roads fund which lead to delays in implementation of projects	TANROADS in collaboration with RFB are making follow-up from Ministry of Finance to make sure that funds were available and released on time.
2)	Under performance of some contractors.	Thorough post-qualification exercise during procurement process to be enhanced. Also conducting on job training to contractors.
3)	Inadequate contracts Management Skills Among Supervising Staff	Training in project or contracts management and procurement was being provided continuously.
4)	Inadequacy of Overload Control	Conducted evaluation of the situation, planned and accordingly carried the installation of weighbridges within the allocated maintenance budget and through construction projects.
5)	Vandalism of Road Furniture/Structures	Through regular maintenance and road safety programs continued with restoration of damaged and vandalized road furniture; use of less attractive materials such as concrete elements, plastic material and awareness campaigns.
6)	Damage of Road Furniture/Structures due to speeding	• Construction of appropriate road humps with necessary signage
		• Installation and replacement of damaged/vandalized road signs.
		• Conducting of awareness campaigns; and
7)	Encroachment of roads reserve	• Recovery of costs from vehicle owners who had caused damages.
		• Erection of road reserve demarcation post;
		• Marking 'X' on illegal structures and issuing relevant notices and removal of the same.

AUDITORS' OPINION ON FINANCIAL STATEMENTS OF TANROADS

4.9 AUDITORS' OPINION ON FINANCIAL STATEMENTS OF TANROADS

The performance of TANROADS as shown above is reflected in the auditor's opinion on the presented financial Statements as issued by the Controller and Auditor General. The opinion is presented below.

2.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

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

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

Unqualified Opinion

I have audited the accompanying Financial Statements of TANROADS, which comprise the Statement of Financial Position as at 30th June, 2017 and the Statement of Financial Performance, the Statement of Changes in Net assets/Equity, the Cash Flow Statement and the Statement of Comparison of Budget and Actual amounts for the year then ended, as well as the notes to the Financial Statements, including a summary of significant accounting policies set out from page 7 to 34 of the Financial Statements.

In my opinion, the accompanying Financial Statements present fairly in all material respects, the financial position of TANROADS as at 30th June, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and in the manner required by the Public Finance Act, 2001 revised 2004.

Basis for Opinion

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

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

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

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

materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the Financial Statements of the current period. These matters were addressed in the context of my audit of the Financial Statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters to communicate in my report.

Responsibilities of Management and those charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

In view of my responsibility on the procurement legislation and taking into consideration the procurement transactions and processes I have reviewed as part of this audit, I state that, 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 Juma Assad
CONTROLLER AND AUDITOR GENERAL



March, 2018

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PART
FIVEEVALUATION OF THE PERFORMANCE OF
IMPLEMENTING AGENCIES

5 EVALUATION OF THE PERFORMANCE OF IMPLEMENTING AGENCIES

5.1 BACKGROUND

During the year under review, the Board engaged Consultants to assess value for money of the road works which were under implementation as part of monitoring activities.

This was conducted in accordance to Section 5(4) of the Road and Fuel Tolls Act, Chapter 220; which among other functions; it mandates the Board to monitor use of disbursed funds to road agencies with a view to ensure that the funds are used for the objectives of the Fund and to ensure that the operations of road agencies and the Fund are technically and financially sound.

5.2 PERFORMANCE OF IMPLEMENTING AGENCIES

The preventive technical audit exercise for the FY 2016/17 focused on the areas of Project Design and Tender Documentation; Procurement; Construction; Project Completion and Closure and Quality for executed Works.

Two implementing agencies - i.e. TANROADS and LGA (Councils) were audited. A total number of projects audited for all implementing agencies were 716.

On average the performance of the 2 Implementing Agencies improved by about 5.4 percent from 61.8 percent in 2015/16 to 67.2 percent in 2016/17. However, on average, the overall performance was 64.5 percent for the two years. The improvement in performance has been observed in all areas except the construction stage as shown in Table 5-1 below:

Table 5 1: Average performance of Implementing Agencies

S/N	Stages	2015/16	2016/17	Average	Trend
1	Project, Design and Tender Documentation	61.7	72.0	66.9	↑
2	Procurement Stage	69.0	77.2	73.3	↑
3	Construction Stage	64.9	64.2	64.5	↓
4	Project Completion and Closure Stage	49.6	58.3	53.9	↑
5	Executed Works	63.7	63.9	63.8	↑
A	Overall Performances	61.8	67.2	64.5	↑
B	Growth Rate in %	8.8			↻

Source: Road Fund Board, 2017.

5.1.1 Planning, Designing and Tender Documentation - TANROADS

The overall performance of TANROADS in the areas of Planning, Designing and Tender Documentation has improved from 68% in 2015/16 to 78.4% in 2016/17 as shown in Table 5-2 below:

Table 5 2: Project Planning, Design and Tender Documentation TANROADS

S/N	Project Implementation Parameters	2015/16				2016/17			
		Poor	Fair	Good	Total	Poor	Fair	Good	Total
		%	%	%	%	%	%	%	%
1	Compliance of project planning with requirements of the PA.	0	12.5	87.5	100	2	5	93	100
2	Accuracy and completeness of the design calculations and technical drawings	6.5	47.8	45.7	100	16.5	25.3	58.2	100
3	Accuracy, appropriateness and completeness of technical specifications.	0	15.4	84.6	100	5	3	92	100
4	Overall appropriateness of the design (economy and function)	1.2	33.7	65.1	100	4.5	2.2	93.3	100
5	Accuracy and completeness of the design of BOQs	1	36.5	62.5	100	9	25	66	100
6	Accuracy of the engineers' estimates	1.9	23.1	75	100	2	8	90	100
7	Accuracy and completeness of the design of tender documents	2.9	41.3	55.8	100	12	32	56	100
Overall performance		68				78.4			

Source: Road Fund Board, 2017.

Key

	Score
Green	70% to 100%
Yellow	60% to 69%
Orange	50% to 59%
Red	0% to 49%

5.1.2 Planning, Designing and Tender Documentation – LGAs/ TARURA

The overall performance of LGAs/TARURA in the areas of Planning, Designing and Tender Documentation showed improvement from 55.4% in 2015/16 to 65.6% in 2016/17 as shown in Table 5-3 below:

Table 5 3: Project Planning, Design and Tender Documentation LGA's and TARURA

Parameters	LGA's 2015/16				LGA's 2016/17			
	Poor	Fair	Good	Total	Poor	Fair	Good	Total
	%	%	%	%	%	%	%	%
Compliance of project planning with requirements of the PA.	5	53	42	100	11	49	40	100
Accuracy and completeness of the design calculations and technical drawings.	14.3	40.9	44.8	100	14.7	26.4	58.9	100
Accuracy, appropriateness and completeness of technical specifications.	0.7	23.6	75.7	100	5.5	7	87.5	100
Overall appropriateness of the design (economy and function)	4.1	40	55.9	100	7	9.4	83.6	100
Accuracy and completeness of the design of BOQs	4.1	40	55.9	100	13.1	22.9	64	100
Accuracy of the engineers' estimate	3	32	65	100	7.6	13.1	79.2	100
Accuracy and completeness of tender documents	6.4	44.9	48.7	100	21.6	32.6	45.8	100
Overall performance	55.4				65.6			

Source: Road Fund Board, 2017'

5.1.3 Procurement - TANROADS

The overall performance of TANROADS in the area of procurement had improved from 72.8% in 2015/16 to 83.7% in 2016/17 as shown in Table 5-4 below.

Table 5 4: Procurement Stage TANROADS

S/N	Procurement Parameters	2015/16				2016/17			
		Poor	Fair	Good	Total	Poor	Fair	Good	Total
		%	%	%	%	%	%	%	%
1	Appropriateness of method of procurement.	7.2	18.6	74.2	100	5.1	1	93.9	100
2	Compliance of procurement process with PPA 2004.	0	26	74	100	0	18	82	100
3	Evaluation process and award of contract.	2.9	43.3	53.8	100	2	41	57	100
4	Competitiveness of rates quoted for major items of construction.	0	26.9	73.1	100	4.1	10.3	85.6	100
5	Overall competitiveness of most economic tender compared with market price.	0	26.9	73.1	100	5.2	8.2	86.6	100
6	Capacity and competence of selected contractor in relation to project size and complexity.	0	11.7	88.3	100	1	2	97	100
	Average Performance	72.8				83.7			

Source: Road Fund Board, 2017.

5.1.4 Procurement – LGAs/TARURA

The overall performance of LGAs/TARURA in the areas of procurement showed improvement from 65.2% in 2015/16 to 71.7% in 2016/17 as shown in Table 5-5 below.

Table 4 5: Procurement stage LGAs/TARURA

	2015/16				2016/17			
	Poor	Fair	Good	Total	Poor	Fair	Good	Total
	%	%	%	%	%	%	%	%
Appropriateness of method of procurement.	5	16.5	78.5	100	12.3	5.9	81.8	100
Compliance of procurement process with PPA 2004.	0.5	48.4	51.2	100	0.8	41.1	58	100
Evaluation process and award of contract.	13.8	53.3	32.9	100	3.6	61.5	34.9	100
Competitiveness of rates quoted for major items of construction.	0.5	28.6	71	100	8.1	7.1	84.8	100
Overall competitiveness of most economic tender compared with market price.	0.2	29.6	70.2	100	6.9	12.6	80.5	100
Capacity and competence of selected contractor in relation to project size and complexity.	1.2	11.2	87.6	100	4.1	5.6	90.3	100
Average Performance	65.2				71.7			

Source: Road Fund Board, 2017.

5.1.5 Construction – TANROADS

The overall performance of TANROADS in the area of Construction had improved from 73.6% in 2015/16 to 77.8% in 2016/17 as shown in Table 5-6 below.

Table 4 6: Construction Stage TANROADS

S/N	Construction Parameters	2015/16				2016/17			
		Poor	Fair	Good	Total	Poor	Fair	Good	Total
		%	%	%	%	%	%	%	%
1	Timeless of a site possession	7.7	1.9	90.0	100	4	17	79	100
2	Quality of a project program	15.4	15.4	69.2	100	25	13	62	100
3	Adherence to the project program	6.4	22.3	71.3	100	16.5	7.7	75.8	100
4	Quality of contractors site organization and staff	1.1	15.8	83.1	100	2.1	6.3	91.6	100
5	Quality of supervising engineers' site staff	8.9	7.9	83.2	100	0	1	99	100
6	Quality of quality assurance program	26.5	22.5	51	100	15.4	13.2	71.4	100
7	Adherence to quality assurance program	3.7	19.8	76.5	100	10	16.7	73.3	100
8	Quality of environmental management plan	54.9	11.8	33.3	100	36	10.1	53.9	100
9	Timeless of a site possession	14.6	19.8	65.6	100	11.6	9.5	78.9	100
10	Quality and management of project documentation	4.1	41.8	54.1	100	0	45.5	54.5	100
11	Assessment including validity of variation	0	7.7	92.3	100	3.9	0	96.1	100
12	Assessment including validity of claims and related cost overruns	0	4	96	100	5	2.5	92.5	100
13	Assessment including validity of project delays and extension of time	0	8.8	91.2	100	14.1	2.8	83.1	100
Average Performance		73.6				77.8			

Source: Road Fund Board, 2017.

5.1.6 Construction –LGAs/ TARURA

The Overall performance of LGAs/TARURA in areas of construction had decreased from 56.1% in 2015/16 to 50.6% in 2016/17 as shown in Table 5-7 below.

Table 5 7: Construction Stage TARURA

Parameters	LGAs				TARURA			
	2015/16				2016/17			
	Poor	Fair	Good	Total	Poor	Fair	Good	Total
	%	%	%	%	%	%	%	%
Timeless of a site possession	16.9	13.2	70	100	14.5	16	69.5	100
Quality of a project program	33.3	27.9	38.8	100	40.8	15.9	43.3	100
Adherence to the project program	24.2	26.1	49.7	100	39.7	19.4	40.9	100
Quality of contractors site organization and staff	3.9	20.1	76	100	16.7	8.4	74.9	100
Quality of supervising engineers' site staff	17.6	20.8	61.6	100	7	7	86	100
Quality of quality assurance program	43.3	15.7	41	100	35.2	18.9	46	100
Adherence to quality assurance program	23.5	21.2	55.3	100	47	9.9	43.1	100
Quality of environmental management plan	70.6	12.2	17.2	100	67.5	15.5	17	100
Management of contractual documents including surety and insurance bonds	39.1	19.8	41.1	100	48	15.3	36.7	100
Quality and management of project documentation	10.9	64.5	24.6	100	5.9	64.3	29.8	100
Assessment including validity of variation	2	17	81	100	31.4	2.7	65.9	100
Assessment including validity of claims and related cost overruns	1.4	6.4	92.2	100	43.3	1	55.7	100
Assessment including validity of project delays and extension of time	7.4	11.3	81.3	100	40.6	9.9	49.5	100
Average Performance	56.1				50.6			

Source: Road Fund Board, 2017.

5.1.7 Project Completion and Closure – TANROADS

Overall, the performance of TANROADS in the areas of Project Completion and Closure had improved from 58.6% in 2015/16 to 75.3% in 2016/17 as shown in Table 5-8 below.

Table 5 8: Project Completion and Closure Stage: TANROADS

S/N	Project Completion and Closure Parameters	2015/16				2016/17			
		Poor	Fair	Good	Total	Poor	Fair	Good	Total
		%	%	%	%	%	%	%	%
1	Quality and completeness of as built-drawings.	61.5	11.5	26.9	100	43.8	0	56.2	100
2	Compilation and management of snag list.	15.2	18.2	66.7	100	9	4.5	86.5	100
3	Timely issuance of completion certificates, settlement of final account.	13.4	14.9	71.6	100	8.2	15.1	76.7	100
4	Management of the defect liability period.	14.3	14.3	71.4	100	14.3	12.9	72.9	100
5	Quality and adequacy of final project report	40.7	13.6	45.7	100	56	0	44	100
6	Compliance of final quantities paid.	29.3	22.4	48.3	100	11.8	5.9	82.3	100
7	Compliance of project cost as per final account with accepted tender price	20.6	13.2	66.2	100	6.9	1.7	91.4	100
8	Compliance of actual project completion time with the contract period	7.4	20.6	72.1	100	0	7.5	92.5	100
Average Performance		58.6				75.3			

Source: Road Fund Board, 2017.

5.1.8 Project Completion and Closure – LGAs/TARURA

LGAs/TARURA seemed to be weak in the area as their performance was below 50%. Their overall performance in the area of Project Completion and Closure had slightly improved from 40.5% in 2015/16 to 41.2% in 2016/17 as shown in Table 5-9 below.

Table 5 9: Project Completion and Closure Stage: LGAs/TARURA

Parameters	LGAs				TARURA			
	2015/16				2016/17			
	Poor	Fair	Good	Total	Poor	Fair	Good	Total
	%	%	%	%	%	%	%	%
Quality and completeness of as built-drawings.	76.2	15	9.1	100	78.2	6.7	15.1	100
Compilation and management of snag list.	42	22.7	35.3	100	51.8	9.7	38.5	100
Timely issuance of completion certificates, settlement of final account.	31.8	24.6	43.6	100	45.4	21.8	32.8	100
Management of the defect liability period.	33.2	24.5	42.3	100	41.6	19.5	38.9	100
Quality and adequacy of final project report	75.3	12.6	12.1	100	72.8	10.2	17	100
Compliance of final quantities paid.	35	10.7	54.2	100	35	7.6	57.3	100
Compliance of project cost as per final account with accepted tender price	31.1	11.5	57.4	100	25.1	5.8	69	100
Compliance of actual project completion time with the contract period	15.3	14.8	69.9	100	25.9	13.4	60.6	100
Average Performance	40.5				41.2			

Source: Road Fund Board, 2017.

5.1.9 Quality for Executed Works – TANROADS

The overall performance of TANROADS in area of quality of executed works had improved from 69.8% in 2015/16 to 72.7% in 2016/17 as shown in Table 5-10 below.

Table 5-10: Executed Works TANROADS

S/N	Executed Works Parameters	2015/16				2016/17			
		Poor	Fair	Good	Total	Poor	Fair	Good	Total
		%	%	%	%	%	%	%	%
1	Based on visual assessment on quality of workmanship, materials used, riding surface, and absence of defect.	2.3	40.7	57	100	2.2	35.9	62	100
2	Comply with drawings and technical specification	0	26.6	73.4	100	0	7.4	92.6	100
3	Dimension of curvet and bridge comply with technical drawings and specification	0	6.5	93.5	100	16.3	2	81.7	100
4	Quality of materials used in pavement structure comply with technical specification	0	13.6	86.4	100	19	4.8	76.2	100
5	Quality of materials used in concrete and masonry works comply with technical specification	0	11.5	88.5	100	21.6	5.9	72.5	100
6	Compliance of site cleanup and restoration of disturbed and/or damaged areas with EM	9.4	39.1	51.6	100	15.4	20.5	64.1	100
7	Compliance of ongoing construction activities with safety and EMP requirement	16.4	45.5	38.1	100	29.1	10.9	60	100
Average performance		69.8				72.7			

Source: Road Fund Board, 2017.

5.1.10 Quality for executed Works – LGAs/TARURA

The LGAs/TARURA overall performance in the area of quality of executed works had decreased from 57.5% in 2015/16 to 55.1% in 2016/17 as shown in Table 5-11 below.

Table 5 11: Executed Works TARURA

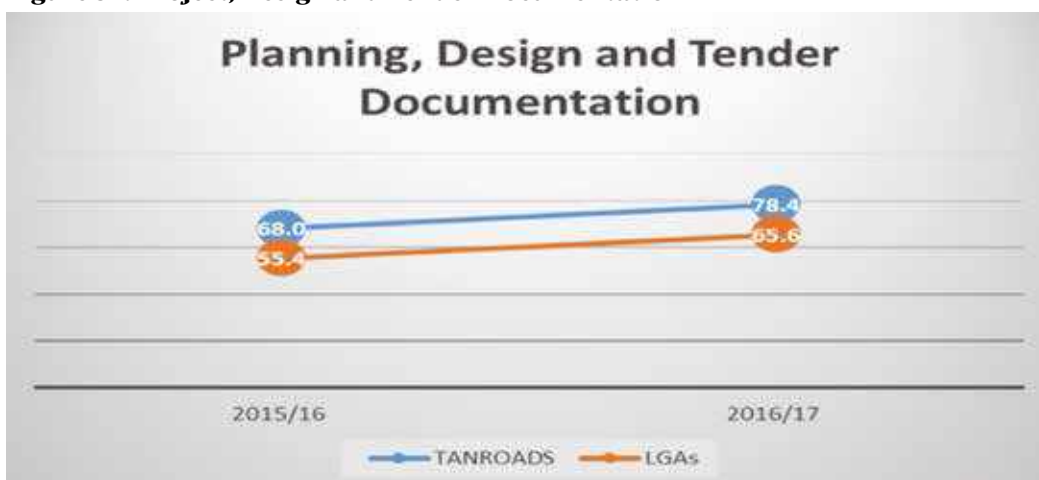
Parameters	LGAs				TARURA			
	2015/16				2016/17			
	Poor	Fair	Good	Total	Poor	Fair	Good	Total
	%	%	%	%	%	%	%	%
Based on visual assessment on quality of workmanship, materials used, riding surface, and absence of defect.	1.6	57.7	90.7	100	1.2	48.2	50.6	100
Comply with drawings and technical specification	2.4	38.5	59	100	3	25	72	100
Dimension of culvert and bridge comply with technical drawings and specification	2	11.8	82	100	20.8	9.3	69.9	100
Quality of materials used in pavement structure comply with technical specification	5.9	19.7	74.3	100	24.2	5.1	70.7	100
Quality of materials used in concrete and masonry works comply with technical specification	13.5	18.7	67.8	100	26.9	5.9	67.2	100
Compliance of site cleanup and restoration of disturbed and/or damaged areas with EM	15.8	45.3	90.0	100	36.4	37.7	88	100
Compliance of ongoing construction activities with safety and EMP requirement	9.9	54.9	80.0	100	40.4	30.3	70.7	100
Average performance			57.5				55.1	

Source: Road Fund Board, 2017.

5.3 INSTITUTIONAL COMPARISON IN PERFORMANCE

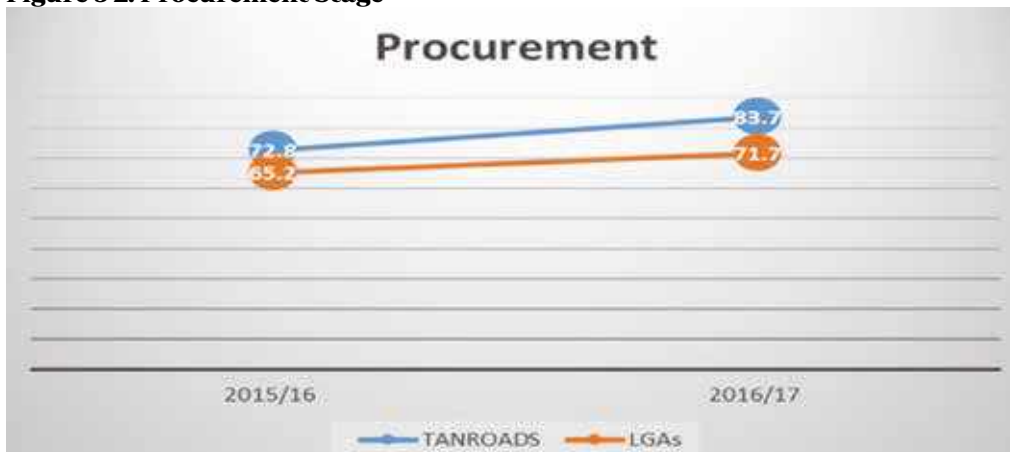
The comparison between TANROADS and LGAs/TARURA performance for the above areas of assessment show that TANROADS had performed better than LGAs/TARURA. The overall TANROADS performance was at 73.0% compared to LGAs/TARURA that performed at 55.9%. The pictorial presentation of the comparison is as indicated in the figures below:

Figure 5 1: Project, Design and Tender Documentation



Source: Roads Fund Board, 2017.

Figure 5 2: Procurement Stage



Source: Roads Fund Board, 2017.

Figure 5 3: Construction Stage



Source: Roads Fund Board, 2017.

Figure 5 4: Project Completion and Closure Stage



Source: Roads Fund Board, 2017.

Figure 5 5: Executed Works



Source: Roads Fund Board, 2016.

5.4 ASSESSMENT OF DISTINCTIVE PERFORMERS

There was an overall performance improvement in the road maintenance project management for both TANROADS and LGAs/TARURA as implementing Agencies, for the year 2016/2017 as compared to the FY 2015/16. However, some of individual institutions performed better while few others performed unsatisfactorily.

TANROADS regional office good performers were Simiyu (97.63%), Lindi (95.05%) and Ruvuma (88.96%). There were no bad performers for the FY 2016/17.

LGAs/TARURA good performers were Musoma MC (83.2%), Lindi MC (79.3%), Mpanda MC (76.0%), Tarime TC, (92.9%), Kahama TC (82.9%), Bunda TC, (81.9%), Lindi DC, (88.0%);Mpimbwe DC (87.4%) and Nachingwea DC(87.3%).

The unsatisfactory performers in the group of LGAs/TARURA were Kigoma MC (38.3%), Handeni TC (24.7%), Korogwe TC, (35.2%),Busokelo DC; (15.9%), Mbeya DC, Mbozi DC, (24.6%) and Ulanga DC (33.3%).

Details of individual good and unsatisfactory performance are as shown in the following tables below.

Table 5 12: TANROADS Regional Good Performers

S/N	2015/16		2016/17	
	Region	Score (%)	Region	Score (%)
1	Kigoma	92	Simiyu	97.63
2	Arusha	89	Lindi	95.05
3	Lindi	89	Ruvuma	88.96
4	Mtwara	81.2	Geita	88.74
5	Iringa	78.5	Dar es salaam	86.81

Source: Road Fund Board, 2017.

Table 5 13: Municipal Councils' Good Performers

S/N	2015/16		2016/17	
	Council	Score (%)	Council	Score (%)
1	Iringa	75.0	Musoma	83.2
2	Lindi	75.0	Lindi	79.3
3	Morogoro	71.6	Mpanda	76.0
4	Ilala	65.7	Temeke	75.8
5	Sumbawanga	63.4	Shinyanga	72.4

Source: Road Fund Board, 2017.

Table 5 14: Municipal Councils' Unsatisfactory Performers

S/N	2015/16		2016/17	
	Council	Score (%)	Council	Score (%)
1	Kinondoni	8.7	Kigoma	38
2	Moshi	41.9	-	-
3	Bukoba	49	-	-

Source: Road Fund Board, 2017.

Table 5 15: City Councils' Good Performers

S/N	2015/16		2016/17	
	City Council	Score (%)	City Council	Score (%)
1	Arusha	67	Mwanza	63

Source: Road Fund Board, 2017.

Table 5 16: City Councils' Unsatisfactory Performers

S/N	2015/16		2016/17	
	City Council	Score (%)	City Council	Score (%)
1	Mwanza	30	Tanga	29.8
2	Tanga	40.7	Mbeya	39.3
3	Mbeya	43.8	-	-

Source: Road Fund Board, 2017.

Table 5 17: Town Councils' Good Performers

S/N	2015/16		2016/17	
	Town Council	Score (%)	Town Council	Score (%)
1	Tunduma	68.3	Tarime	92.9
2	Kasulu	66.5	Kahama	82.9
3	Korogwe	60.4	Bunda	81.9
5	Bariadi	58.2	Bariadi	77.5
5	Geita	57.6	Kibaha	75

Source: Road Fund Board, 2017.

Table 5 18: Town Councils' Unsatisfactory Performers

S/N	2015/16		2016/17	
	Town Council	Score (%)	Town Council	Score (%)
1	Babati	37.7	Handeni	24.7
2	Handeni	43.1	Korogwe	35.2
3	Kahama	49.1	Kasulu	46
4	-	-	Mafinga	48.8

Source: Road Fund Board, 2017.

Table 5 19: District Councils' Good Performers

S/N	2015/16		2016/17	
	District Council	Score (%)	District Council	Score (%)
1	Bahi	93.7	Lindi	88.0
2	Chemba	87.0	Mpimbwe	87.4
3	Karatu	82.9	Nachingwea	87.3
4	Uvinza	81.0	Tarime	87.0
5	Longido	80.9	Ruangwa	85.4
6	Iringa	80.3	Busega	85.2
7	Mufindi	77.3	Bagamoyo	84.7
8	Liwale	75.4	Kilwa	83.7
9	Monduli	75.2	Itilima	83.2
10	Mvomero	74.3	Rorya	80.8

Source: Road Fund Board, 2017.

Table 5 20: District Councils' Unsatisfactory Performers

S/N	District Council	FY	District Council	FY
		2015/16		2016/17
1	Same	3.90%	Busokelo	15.90%
2	Moshi	11.90%	Mbeya & Mbozi	24.60%
3	Mwanga	13.50%	Ulanga	33.30%
4	Mbulu	20.00%	Kilombero	33.70%
5	Hai	26.20%	Pangani & Chunya	37.60%
6	Bukoba	28.10%	Kilosa	37.90%
7	Kiteto	31.70%	Muheza	38.20%
8	Siha	34.40%	Handeni	39.40%
9	Rombo	34.90%	Misungwi	40.60%
10	Bariadi	36.20%	Ileje	41.30%

Source: Road Fund Board, 2017.

ANNEXES

ANNEX 1: TRUNK ROADS PROJECTS AND ACTIVITIES IMPLEMENTED IN FY 2016/17

S/N	Annual Target		Estimated Physical Achievement	Financial Performance			Project Status
	Project Name	Annual Plan For FY 2016/17		Annual Budget (TZS)	Cumulative Released (TZS)	Cumulative Expenditure (TZS)	
1	Consultancy Service for Feasibility Study and Detailed Design of Kyaka – Bugene – Kasulo/Benako	Completion to Final Design report	100%	370,000,000	324,826,032	324,826,032	Completed
2	Review and Preparation of Standards and Specifications	Completion of specifications	25%	400,000,000	353,755,879	190,465,982	Under implementation
3	Handeni-Kiberashi- Kijungu – Kibaya – Njoro – Oilboloti – Mrijo Chini – Dalai – Bicha – Chambalo – Chemba – Kwa Mtoro – Singida road (FS & DD)	Completion to Final Design report	100%	170,000,000	149,244,388	149,244,388	Completed
4	Consultancy Service for Feasibility Study and Detailed Design of Musoma-Makojo-Busekela road	Completion to Final Design report	100%	100,000,000	87,790,818	87,790,818	Completed
5	Compensation for TAZARA Flyover and Ubungo Interchange	Completion of Compensation	88%	800,000,000	702,326,551	702,326,551	Completed for TAZARA and at 75% for Ubungo
6	Consultancy Service for Feasibility Study and Detailed Design of Kolandoto – Lalago – Mwanhuzi – Mwanhuzi – Matala – Olideani Junction road	Completion to Final Design report	75%	845,000,000	741,832,419	469,020,980	Under implementation
7	Consultancy Service for Feasibility Study and Detailed Design of Karatu – Mbulu – Haydom – Sibiti River – Lalago – Maswa road (FS)	Completion to Inception report	-	20,000,000	17,558,172		Under implementation
8	Consultancy Services for Feasibility Study and Detailed Design of Isonje – Kikondo – Makete road (96.2km)	Completion to Inception report	-	50,000,000	43,895,413		Under implementation
9	Central Materials Laboratory (CML) – Enhancement of Testing of Construction Materials through introduction of modern technology of performance based appropriate asphalt mix design guideline and improvement of CML infrastructure and other facilities	Development of Guidelines of Asphalt Hot Mix Design	80%	865,000,000	762,167,996	638,338,552	Under implementation
10	Monitoring of Roads and Bridge Projects, Maintenance of Supervision Vehicles, fuel and Other Roads Related activities (MoWTC)	No. of Projects monitored and vehicle maintained	100%	1,500,000,000	1,366,852,329	1,048,687,322	Completed (Projects in all regions have been monitored in this financial year as planned)
11	Consultancy Service for Feasibility Study and Detailed Design of Nyamirembe Port-Katoke	Completion to Final Feasibility report	45%	100,000,000	87,790,818	84,285,280	Under implementation

S/N	Annual Target Project Name	Annual Plan For FY 2016/17	Estimated Physical Achievement	Financial Performance			Project Status
				Annual Budget (TZS)	Cumulative Released (TZS)	Cumulative Expenditure (TZS)	
12	Consultancy Service for Feasibility Study and Detailed Design of Escape for Long Steep Grades and Climbing Lanes along Major Trunk Roads	Completion to Draft Feasibility report	2%	130,000,000	114,128,066		Under implementation
13	Computer Software for Design of Road Projects and Highway/Transportation Planning	Training of 10 TANROADS Staff	45%	150,000,000	131,686,231	73,473,400	Under implementation
14	Feasibility Study, Detailed Engineering Design and Preparation of Tender Documents for Construction of Kigongo/ Buisi Bridge along Usagara – Geita Road	Completion of the Draft Feasibility report	45%	605,000,000	531,134,461	486,300,075	Under implementation
15	Feasibility Study and Detailed Design of Tarime – Mugumu (86 km)	Completion of the Inception report	15%	430,000,000	377,500,519		Under implementation
16	Feasibility Study and Detailed Design of Mpanda – Ugalla – Kaliua – Ulyankulu – Kahama (457 km)	Completion of the Draft Feasibility report	2%	100,000,000	87,790,818		Under implementation
17	Capacity Building in Construction Industry (Including Harmonisation of Activities being Carried out by MWTI and ATTI)	Establishing of Institute of Construction Technology (IcoT)	55%	500,000,000	444,482,921	175,696,475	Under implementation
18	Project on Advancing & Managing Tanzania's Transportation System and Inter-modal Linkages (Stake holders are Ministry of Works, Transport and Communication, University of Dar es Salaam and Morgan State University)	Promoting and Transfer of Technology for the Road Transportation and Industry and Inter-Modal Linkages.	0%	170,000,000	149,871,855		Under implementation (Discussion on role of key stakeholders in consultancy contracts still underway)
19	Feasibility Study, Detailed Engineering Design and Preparation of Tender Documents for Uyole – Songwe Bypass	Completion of the Inception Report	15%	100,000,000	87,790,818		Under implementation
20	Consultancy Service for Feasibility Study and Detailed Design of Ipole – Rungwe (km 172)	Completion of the Draft Final Design Report	30%	350,000,000	307,267,867	279,920,949	Under implementation
21	Decongestion of Urban Roads in Dar es Salaam						
(i)	Goba – Mbezi Mwisho (7km)	1.13 (km)	89%	200,000,000	175,581,644		Under implementation
(ii)	Tangi Bovu – Goba (9 km)	2.88 (km)	98%	289,803,000	254,420,433		Completed
(iii)	Kimara – Baruti – Msewe (2.6 km)	2.6 (km)	12%	120,000,000	105,348,975	105,348,975	Under implementation
(iv)	Kimara – Kilungule – External (External Maji Chumvi) (3.0km)	-	100%	130,000,000	114,128,066		Completed
(v)	Kifuru – Kinyerezi (4.0km)	4 (km)	100%	130,000,000	114,128,057		Completed
(vi)	Tabata Dampo – Kigogo (1.6km)	0.7 (km)	100%	100,000,000	87,790,818		Completed

S/N	Annual Target		Annual Plan For FY 2016/17	Estimated Physical Achievement	Financial Performance			Project Status
	Project Name	Annual Plan For FY 2016/17			Annual Budget (TZS)	Cumulative Released (TZS)	Cumulative Expenditure (TZS)	
22	Feasibility Study, Detailed Engineering Design and Preparation of Tender Documents for Same – Kisiwani – Mkomazi Road (96.7km)	Completion of the Inception report	0%	400,000,000	351,163,280		0%	Under implementation
23	No. 1 Tegeta – Bagamoyo (FS & DD)	Completion of the Inception Report	100%	330,000,000	289,709,701		0%	Completed
24	No. 2 Makofia – Mlandizi (FS & DD)	Completion of the Inception Report	100%	216,000,000	189,628,165		0%	Completed
25	No.3 Mbegani – Bagamoyo (FS & DD)	Completion of the Inception Report	100%	100,000,000	87,790,818		0%	Completed
26	Omugakorongo – Kigarama – Murongo Road	Completion to final Design report	75%	370,000,000	324,826,032	324,826,032	88%	Under implementation
27	Mbwara Pachani – Lusewa – Lingusenguse – Nalasi (FS & DD)	Completion of the Inception report	-	100,000,000	87,790,809	75,962,071	76%	Under implementation
28	Consultancy Services for Feasibility Study and Detailed Design of Kibondo – Mabamba road	Completion of the Inception report	75%	80,000,000	70,232,661		0%	Under implementation
29	Decongestion of Urban Roads in Mwanza – Furahisha Pedestrian Bridge	Completion of construction works	99%	1,000,000,000	877,908,187		0%	Under implementation
30	Advance Payments and Land Acquisition for Development Projects	Completion of payments	100%	2,300,000,000	2,021,966,248	1,761,662,317	77%	Completed
31	Consultancy Service for Feasibility Study and Detailed Design of Arusha – Kibaya – Kongwa	Completion of the Inception report	15%	350,000,000	307,267,867		0%	Under implementation.
32	Feasibility Study and Detailed Design of Kibada – Mwasonga – Kimbiji	Completion of the Inception Report	0%	170,000,000	149,244,388		0%	Under implementation
33	Feasibility Study and Detailed Design of Kimbiji – Tundwisongani	Completion of the Inception Report	0%	170,000,000	149,244,388		0%	Under implementation
34	Consultancy Service for Feasibility Study and Detailed Design of Nanganga – Ruangwa – Nachingwea road	Completion of the Inception Report	15%	500,000,000	438,954,089	118,000,000	24%	Under implementation
35	Construction of Mlalakuwa Bridge	40% of Bridge Works to be completed	15%	400,000,000	351,163,271		0%	Under implementation
36	Rehabilitation of Kiwa Mathias – Msangani Road (Improvement of Drainage)	10 (km)	0%	240,000,000	210,697,966		0%	Under implementation
37	Feasibility Study and Detailed Design of Muhimbili Bridge along Muhimbili – Mkwajuni	Completion of the Inception Report	0%	130,000,000	114,128,066		0%	Under implementation
38	Facilitation and Supervision of Road Projects (TANROADS)	100%	100%	1,000,000,000	877,908,212		0%	Completed

ANNEX 2: REGIONAL ROADS PROJECTS AND ACTIVITIES IMPLEMENTED IN FY 2016/17

Project Description	PHYSICAL STATUS			FINANCIAL STATUS			PROJECT STATUS
	Annual Target km / No. of Bridges	Cumulative Accomplished	Estimated % Completed	Annual Budget (TZS Mil.)	Cumulative Released (TZS mil.)	Cumulative Actual Expenditure (TZS Mil.)	
ARUSHA							
Rehabilitation of Longido – Kitumbaine – Lengai (Kitumbaine – oldonyolengai)	5	0	0%	136	121.58	38.4	28%
Rehabilitation of KIA – Majengo along KIA – Mererani road	5	0	0%	85	75.87	32.8	39%
Tengeru jct – Cairo road	3	0	0%	85	75.87	64.6	76%
Construction of box culvert along Nelson Mandela – AIST	1	0	0%	85	82.54	23	27%
Upgrading of DSD Kijenge – USA river	1	1	100%	425	416.75	961.42	226%
COAST							
Rehabilitation of Ksarawe – Masaki – Msanga – Chole road	5	0	0%	128	113.29	0	0%
Rehabilitation Kiparang'anda – Nyamalle – Kbululu rd	2.5	0.5	20%	68	60.44	11.18	16%
Rehabilitation of Makofia-Mlandizi-Maneromango (Mlandizi – Maneromango section-36km)	5	0.4	8%	136	120	11.04	8%
Upgrading of TAMCO – Vkwave – Mapinga road (21.9km)	0.5	0	0%	170	149.71	0	0%
Rehabilitation of IkwiriMbaka-Vkumburu (Vkumburu-Mtanza Junction)	5	0	0%	109	96.43	11.08	10%
Rehabilitation of Utete - Nyamwage road (32km)	4	0	0%	85	70.7	20.51	24%
Upgrading to DSD Bagamoyo Township Roads	1	1	100%	340	278.64	448.64	132%
DAR ES SALAAM							
Rehabilitation of Uhuru Road (1km)	1	0	0%	680	593.53	0	0%
Upgrading Chanika - Mbande Road (Otta seal) 29.6km	0.5	0	0%	213	188.29	0	0%
Upgrading to DSD Feri - Tunji Kibada road	0.5	0	0%	255	224.29	0	0%
Upgrading of Boko - Mbweni road to DSD -6.9km	0.5	0.5	100%	255	224.29	255	100%
DODOMA							
Rehabilitation Izava – Dosisosi road (15km)	7		0%	170	149.72	0	0%
Upgrading of Mbande-Kongwa Junction-Mpwepwa(50Km) to Paved standard	0.5	0	0%	238	208.28	0	0%
Start Construction of Gulve Bridge along Mpwepwa-Gulve-Kibakwe-Chipogoro Road	1	0	0%	425	369.97	0	0%
Construction of Baura Bridge and its approaches	1	0	0%	187	164.84	0	0%
Rehabilitation of Gubali-Haubi	7	0	0%	170	149	0	0%
Rehabilitation of Hogoro-Jct-Kibaya	2	0	0%	50	45.01	0	0%
GEITA							
Rehabilitation of Chibingo – Bukondo road	3	4	133%	85	75.45	28.3	33%
Rehabilitation of Geita – Nkome Michangani	3	5	167%	85	75.45	0	0%
Rehabilitation of Geita – Nyarugusu – Bukoli	3	3	100%	85	75.45	0	0%
Upgrading to DSD Mkuuyuni road	1	1	100%	289	251.56	0	0%
Upgrading of Muganza – Kasenda	0.2	0	0%	85	75.45	0	0%
Rehabilitation of Kibehe – Kkumbatale	3	0	0%	85	75.45	0	0%
Upgrading to DSD of Geita township roads	0.7	0	0%	255	222.71	43.65	17%

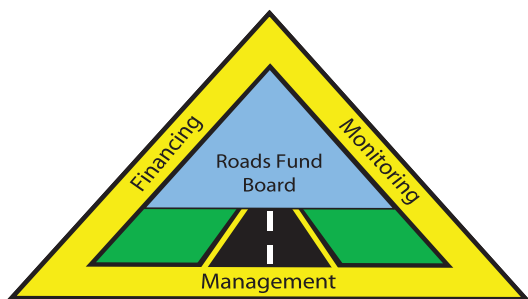
Project Description	PHYSICAL STATUS			FINANCIAL STATUS				PROJECT STATUS
	Annual Target km / No. of Bridges	Cumulative Accomplished	Estimated % Completed	Annual Budget (TZS Mil.)	Cumulative Released (TZS mil.)	Cumulative Actual Expenditure (TZS Mil.)	Cumulative % of Spending	
Rehabilitation of Bwina road	3	3	100%	77	68.56	35	45%	Completed
Ludeba bridge along Munekezi – Ludeba – Masonga road (km 14).	1	1	100%	85	75.87	77.5	91%	Completed
Rehabilitation of Itare – Katende road	2	2	100%	51	45.88	50	98%	Completed
Rehabilitation of Ipalamasa – Mbogwe – Masumbwe	10	3	30%	255	221.7	0	0%	Under implementation
Rehabilitation of Chato - Rubambagwe	10	0	0%	212	184.84	0	0%	Under implementation
IRINGA								
Rehabilitation of Nyolob – Igowole – Kbao – Mtwango – Mgobbb	4	0	0%	85	75.45	43.5	51%	Under implementation
DSD Iringa – Msembe (Kalenga jct – Ipamba Hospital)	0.5	0.1	20%	212	187.79	215.9	102%	Under implementation
Rehabilitation of Nyolob – Kbao	10	0	0%	128	113.24	67.02	52%	Under implementation
Rehabilitation of Iula – Kibob	10	1.7	17%	213	188.65	110.26	52%	Under implementation
KAGERA								
Rehabilitation of Kajal Swamp(1.5km) along Katoma – Bukwali road	1.5	1.5	100%	170	149.73	0	0%	Completed
Rehabilitation of Muhutwe – Kamachumu – Muleba	20	0.2	1%	425	372.13	0	0%	Under implementation
Rehabilitation of Bugene – Kaisho – Murongo (Rwabununka Escarpment)	1	0	0%	255	224.29	0	0%	Under implementation
Rehabilitation of Rubya - Kanyambogo road	12	0	0%	213	188.29	0	0%	Under implementation
KATAVI								
Rehabilitation of Mamiba – Kasansa	3	0	0%	85	75.29	0	0%	Under implementation
Rehabilitation of Mpanda – Ugalla road	3	0	0%	85	75.29	0	0%	Under implementation
Rehabilitation of Mnyamasi – Ugalla	3	3	100%	50	44.87	0	0%	Under implementation
Rehabilitation of Inyonga – Majimoto	6	6.8	113%	170	149.14	161.1	95%	Completed
Rehabilitation of Kibaoni – Majimoto – Kasanza	4	0	0%	85	75.01	0	0%	Under implementation
Rehabilitation of Kibo – Mwese Road	6	3	50%	170	149.71	0	0%	Under implementation
Rehabilitation of Inyonga - Ilunde	6	6	100%	120	105	91.7	76%	Completed
Rehabilitation of Kagwira - Karema	4	4.8	120%	119	105.29	90.2	76%	Completed
KIGOMA								
Construction of three Bridges along Simbo – Ilagala – Kalya	1	10%	10%	340	310.1	0	0%	Under implementation
Rehabilitation of Kakonko – Nyaronga – Ngara Border	8	8	100%	204	185.04	0	0%	Completed
DD of Lwegele bridge along Simbo – Ilagala – Kalya road	1	0.3	30%	128	115.85	0	0%	Under implementation
KILIMANJARO								
Rehabilitation of Mwembe – Myamba – Ndungu	5	5	100%	128	112.86	34.3	27%	Completed
Upgrading of Masama – Machame Jct	1	0	0%	300	264.56	0	0%	Under implementation
Upgrading to DSD Same – Kisiwani – Mkomazi	1.5	0.5	33%	85	75.01	0	0%	Under implementation
Upgrading of Kikweni – Vuchama/Lomwe	0.6	0.6	100%	531	465.82	179.1	34%	Completed
Upgrading of Makanya – Suji road to DSD	5	0	0%	500	438.8	0	0%	Completed
Rehabilitation Mandaka - Kiema Hospital Road	13	13	100%	200	175.71	46.2	23%	Completed

Project Description	PHYSICAL STATUS			FINANCIAL STATUS			PROJECT STATUS
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LINDI							
Rehabilitation of Nanjiriji – Kiranjeranje – Namichiga	3	0	0%	85	75.01	0	0%
Rehabilitation of Nangurukuru – Lwale road	4	4	100%	102	89.73	0	0%
Rehabilitation of Nachingwea – Lukuledi road	3	3	100%	85	75.01	0	0%
Upgrading to DSD Ruangwa township roads	2	3	150%	595	524.25	1504	253%
DD Lukuledi bridge along Luchelengwa – Ndanda road	1	1	25%	51	46.02	0	0%
MANYARA							
Construction of Babati – Orkesumet/Kibaya (new access road)	10	9	90%	255	224.28	73.4	29%
Rehabilitation of Kibaya – Kibereshi road	4	5.3	133%	102	91.01	88.1	86%
Rehabilitation of Nangwa – Gisambang – Kondoa Border.	6	7.8	130%	153	134.72	104.7	68%
Rehabilitation of Mogtu – Haydom	6	6	100%	153	136.58	0	0%
Rehabilitation of Magara Escarpment (concrete pavement) along Mbuyu wa Mjerumani – Mbulu	1	1	100%	255	224.56	0	0%
MARA							
Rehabilitation of Musoma – Makojo Road	5	0	0%	128	113.37	0	0%
Rehabilitation of Baiji – Mgeta – Manchimweli – Rmwani Road	5	0	0%	128	113.37	0	0%
Upgrading to DSD Nyamuswa – Bunda – Kisonya – Nansio road (Nansio – Kisonya sect.)	0.3	0	0%	153	136.29	0	0%
Upgrading to DSD Mka – Utegi – Shirati Road	0.7	0	0%	255	225.28	0	0%
Upgrading to DSD Tarime – Nyamwaga road (Tarime – Nyamwaga Sect.)	1	0	0%	383	335.12	0	0%
Rehabilitation of Makutano ya Knesi – Knesi	2	1	50%	51	45.87	0	0%
Rehabilitation of Nyamwaga – Gwityo	2.2	3	136%	60	53.58	9.7	16%
MBEYA							
Rehabilitation of Gagula – Namukwe & Constr. of 3 No. structures	5	5	100%	106	93.9	66.8	63%
Rehabilitation Mbalizi – Shigamba – Isongole (Ibaba – Shigamba)	5	5	100%	106	93.9	0	0%
Upgrading to DSD Igawa – Rujewa – Ubaruku	2	2	100%	680	594.8	0	0%
Upgrading of Mbalizi – Makongorosi (Mbalizi – Utengule 8km)	1	1	100%	340	298.7	0	0%
Rehabilitation Ilongo – Usangu Road	5.5	5	91%	136	120.41	97.7	72%
Raising Embankment Msangano – Tindingoma (6km) section along Igamba - Utamballa	3	3	100%	60	53.58	0	0%
MOROGORO							
Rehabilitation of Mahenge – Mwaya – Ilonga Road	3	0	0%	85	75.3	0	0%
Upgrading "Mlima Simba hills" along Mahenge – Mwaya - Ilonga Road	1.5	0	0%	170	150.58	0	0%
Rehabilitation of Ifakara – Taweta – Madeke including crossing of Mgeta River for Mchombe/Lukolongo – Ija	15	0	0%	383	333.12	0	17%
Rehabilitation of Gairo – Nongwe	6	5.5	92%	170	150.86	231	0%
Upgrading of Mahenge Township Roads	0.8	0	0%	340	297.13	0	0%

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MTWARA								
Upgrading to DSD Newala Township Roads	1.5	0.2	13%	425	375.71	0	0%	Under implementation
Rehabilitation of Tahimba – Ltehu Mkwiti Road	5	0	0%	128	113.39	0	0%	Under implementation
Construction of Lkwamba Bridge	1	0	25%	170	150.3	0	0%	Under implementation
Upgrading to DSD Kinorombedo Escarpment along Mkwiti (Kinorombedo) - Ktangaal - Newala)	0.5	0	0%	128	113.44	0	0%	Under implementation
MWANZA								
Rehabilitation of Kayenze – Nyanguge Road	2	2.1	105%	51	45.72	57.1	112%	Completed
Rehabilitation of Kabanga Ferry – Mugogo – Nyakabanga	3	0.5	15%	68	60.35	77.6	114%	Under implementation
FS & DD Magu – Bukwimba Ngudu – Hungumalwa	1	0	0%	120	106.05	0	0%	Under implementation
Rehabilitation of Lumeji – Nyashana	2.2	3.9	177%	60	53.32	59.7	99%	completed
Construction of Sukuma (Smiyu II) bridge along Magu – Mahaha road	1	0	25%	305	266.83	0	0%	Under implementation
Rehabilitation of Inonekwa – Kawekamo	2.5	2.1	84%	68	60.35	57.1	84%	Under implementation
Rehabilitation of Mwamhaya – Itongotale	2.2	2.9	132%	60	53.43	55.4	92%	Completed
Rehabilitation of Nyambi – Fub Road	2.5	3	120%	68	60.35	52.4	77%	Completed
Rehabilitation of Sengerema – Kahunda (Nyeuhunge – Kahunda)	3	5.4	180%	85	75.28	98	115%	Completed
Rehabilitation of Mwanagwa – Misasi – Buhingo – Ihelele	2.5	3.5	140%	68	60.35	62.3	92%	Completed
Purchase of motor grader for Ukerewe roads	1	0	25%	85	75.29	0	0%	Under implementation
Rehabilitation of Sabasaba - Buswelu road	6	0	0%	153	135.34	0	0%	Under implementation
NJOMBE								
Rehabilitation of Ndulimo – Nkenja – Ktub – Mfumbi	6	6	100%	153	133.71	70.7	46%	Completed
Rehabilitation of Njombe – Ndulimo – Makete	7	7	100%	170	149.14	139	82%	Completed
Rehabilitation of Kibena – Lupembe – Mfuji (Moro/Iringa Border) 125.2km	4	4	100%	85	75.36	50.3	59%	Completed
Rehabilitation of Njombe – Iyayi Road	3	3	100%	85	75.44	26	31%	Completed
Rehab of Ikonda – Lupla – Mangali (Lupla – Mangali)	7	7	100%	170	149.14	36.1	21%	Completed
Upgrading to DSD Ludewa township roads	1	1	100%	298	260.55	0	0%	Completed
Upgrading to DSD Igwachanya township roads	1	1	100%	255	224.27	0	0%	Completed
Rehabilitation of Igwachanya (Chalowe) - Usuka - Kanamalenga - Ikingub (Mang'elenge)	3	1	33%	85	72.17	14	16%	Under implementation
RUKWA								
Rehabilitation of Ntendo – Muze (Kizungu hill) Section to DSD	6	3.8	63%	170	150.86	102.1	60%	Under implementation
Rehabilitation of Kasansa – Muze Road along Kasansa - Kamsamba road	7	10	143%	170	150.58	109.8	65%	Completed
Rehabilitation of Mangalwa – Kpeta Road (Mangalwa – Chombe)	7	5	71%	170	150.58	0	0%	Under implementation
Rehabilitation of Lyazumbi – Kabwe	7	7.7	110%	128	113.23	38.8	30%	Completed
Rehabilitation of Kalambanzite – Iemba Road	7	6.1	87%	170	149.43	23.3	14%	Under implementation
Rehabilitation of Katongoro - Kpili (Kpili - Kpili New Port section - 4.5km)	5	6.2	124%	128	112.48	50	39%	Completed

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RUVUMA								
Rehabilitation of Azimio – Lukumbule – Tulingane (Lukumbule – Tulingane)	2.2	0	0%	60	53.59	0	0%	Under implementation
Rehabilitation of Londo Quarry Plants.	1	0	10%	50	45.02	0	0%	Under implementation
Opening up Londo – Kibisa - Kwa Mpepo Road (Lumecha - Kitanda - Londo Section)	3	3	100%	85	75.45	0	0%	Completed
Rehabilitation of Chamani – Matuta – Mango – Khagara Road	3	0	0%	85	75.45	0	0%	Under implementation
Upgrading to DSD Kilimo Mseto – Makambi Road	0.1	0.04	40%	85	75.45	0	0%	Under implementation
Upgrading to Otta seal Hilly section along Mtwarea Pachani – Mkorongo – Sasawala – Natasi	0.1	0	0%	85	75.45	0	0%	Under implementation
Design and start construction of Fundi Mbanga bridge along Tabora – Fundi Mbanga Road	1	4.5	10%	150	131.72	0	0%	Under implementation
Rehabilitation of Kitai – Ltuhi Road	2.5	0	0%	68	60.5	0	0%	Under implementation
Rehabilitation of Matmila – Mikongo Road	2.5	0	0%	68	60.5	0	0%	Under implementation
Rehabilitation of Mpitambi – Ndongosi – Nambendo Road	3	0	0%	66	58.59	0	0%	Under implementation
Rehabilitation of Mjimwema – Ngapa – Tunduru/Nachingwea Border	3	0.1	3%	77	67.87	0	0%	Under implementation
Upgrading to Otta Seal Unyoni – Kipapa – Chamani – Mkoaha (Mawono Escarpment.)	0.1	0	0%	85	75.29	0	0%	Under implementation
Construction of Ruhuhu bridge	1	10%	25%	383	331.39	0	0%	Under implementation
Consultancy Services for CRRP Project (Namtumbo – Matepwende (8km)); Mlelele – Matmila(23.8km) and Namabengo – Mbimbi(11.07km) Roads)		10%	25%	128	122.55	0	0%	Under implementation
SHINYANGA								
Rehabilitation of Shinyanga – Old Shinyanga Road	35	30	86%	170	151.15	0	0%	Under implementation
Construction of Vented Drift along Isagenye – Budekwa – Mwararatu(21km)	1	0	25%	170	151.44	0	0%	Under implementation
Rehabilitation of Kahama – Bulge – Mwakotoyo – Solva	6	6	100%	106	94.44	0	0%	Completed
Rehabilitation of Nyandekwa – Uyogo – Nghwande (Shy/Tbr border)	7	6	86%	128	113.3	0	0%	Under implementation
Rehabilitation of Nyandekwa Jct – Butbu Road	6	6	100%	106	94.34	0	0%	Completed
SIMIYU								
Rehabilitation of Luguru – Kadoto – Malya Road	7	7	100%	170	151.15	0	0%	Completed
Rehabilitation of Maswa – Kadoto – Shishyu – Jija – Maligju Road	7	7	100%	170	151.15	0	0%	Completed
Rehabilitation of Mkomaa – Makao road	8	2.4	30%	212	187.78	211.3	100%	Under implementation
Rehabilitation of Ngulyati – Miswaki – Ngasamo road	5	4.8	96%	128	113.3	0	0%	Under implementation

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SIH GIDA							
Rehabilitation of Sowebo (Kom boi) – Kasini - Chemchem Road	10	7.7	77%	255	225.57	216.5	85% Under implementation
Rehabilitation of Mkalama – Mwanageza – Kidarafa	7	7	100%	170	150.58	48.6	29% Completed
Construction of Miosa Box Culvert and Approach Roads along Iyumbu (Tabora border) – Mgungira – Mtunduru – Magereza Road	1	0.2	20%	298	263.65	62.5	21% Under implementation
Rehabilitation of Kizaga – Sepuka – Mlandala section	7	7	100%	102	90.39	51	50% Completed
TABORA							
Reh. Tutuo – Izimbili – Usoke Road	14	10	71%	357	315.52	159.7	45% Under implementation
Rehabilitation of Nzege – Itobo – Bukooba	8	8	100%	204	181.05	200	98% Completed
Rehabilitation of Skonge – Mbono – Kpili Road	14	10	71%	357	315.52	484.3	136% Under implementation
TANGA							
Rehabilitation of Mlalo – Ming'aro road	4.5	4.5	100%	170	150.42	96.5	57% Completed
Rehabilitation of Muheza – Maramba	14	14	100%	85	75.57	0	0% Completed
Rehabilitation of Mbaramo – Misozwe – Maramba – Kasera Road	4	4	100%	85	75.69	128	151% Completed
Rehabilitation of Magamba – Mlida	7	3.7	53%	170	150.7	153.3	90% Under implementation
Upgrading of Amanji – Muheza to DSST	0.3	0.1	33%	170	150.7	68	40% Under implementation
Rehabilitation of Bumbuli – Dindira – Korogwe Rd	6	6	100%	128	113.85	0	0% Completed
SUB-TOTAL	621.2 km & 14 bridges	447	77%	26,380.00	23,758.09	8,386.08	32%
Monitoring of Road and Bridge Projects, Maintenance of Supervision Vehicles, Fuel and Other Roads Related Activities (MOW)				1390	1264.65	975.89	70% Under implementation
Roads Classification Activities				363.31	363.31	0	0% Under implementation
SPECIFIC ROAD RELATED PROJECTS:							
(i) Appropriate Technology Training Institute (ATTI)				600	552.28	500.7	83% Under implementation
(ii) Morogoro Works Training Institute (MWTI)				650	578.8	464.14	71% Under implementation
(iii) Women Participation Unit (WPU)				120	113.54	134.61	112% Under implementation
(iv) Tanzania Technology Transfer Centre (TANT2 Centre)				270	246.84	35.42	13% Under implementation
TOTAL	621.2 & 14brgs	447	77%	29,773.31	26,514.20	10,739.96	36%



ROADS FUND BOARD

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