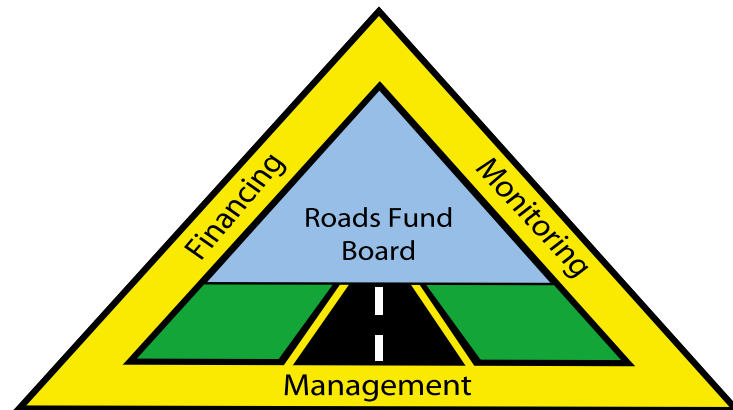


ANNUAL REPORT 2017/18

THE UNITED REPUBLIC OF TANZANIA



ROADS FUND BOARD

**ANNUAL REPORT FOR
THE FINANCIAL
YEAR 2017 / 18**

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ACRONYMS AND ABBREVIATIONS

ATTI	Appropriate Technology Training Institute
BoQ	Bill of Quantity
CC	City Council
CE	Council Engineer
CRB	Contractors Registration Board
DC	District Council
DED	District Executive Director
DfID	Department for International Development
DROMAS	District Roads Management System
EAC	East African Community
EU	European Union
EWURA	Energy and Water Regulatory Authority
FY	Financial Year
GOT	Government of Tanzania
HQ	Head quarters
KOJ	Kurasini Oil Jet
LBT	Labor-Based Technology
LGA	Local Government Authority
MC	Municipal Council
MoWTC	Ministry of Works, Transport and Communication
MWTI	Morogoro Works Training Institute
NAO	National Audit Office
PMMR	Performance-based Management and Maintenance of Roads
PORALG	President's Office Regional Administration and Local Government
PPA	Public Procurement Act
PPRA	Public Procurement Regulatory Authority
RAIS	Road Accident Information System
RF	Roads Fund
RFB	Roads Fund Board
RFMT	Road Fund Management Team
RMI	Road Maintenance Initiative for Sub-Saharan African countries
RMMS	Road Maintenance Management System
RMO	Regional Manager's Office
ROMDAS	Road Measurement Data Acquisition System
RUC	Road User Charge
TANROADS	Tanzania National Roads Agency
TARURA	Tanzania Rural and Urban Roads Agency
TATO	Tanzania Association of Tour Operators
TATOA	Tanzania Track Owners Association
TCCIA	Tanzania Chamber of Commerce, Industry and Agriculture
TFC	Tanzania Federation of Cooperatives
TRA	Tanzania Revenue Authority
TC	Town Council
USAID	United States Agency for International Development
USD	United States of American Dollar
WPU	Women Participation Unit

CHAIRMAN'S STATEMENT



Mr. Joseph O. Haule
Chairman

INTRODUCTION

The financial year the FY 2017/18 marked the second year of implementation of the Roads Fund Board's Five-Year Strategic Plan 2016/17 – 2020/21). During the year, the Board continued to pursue and implement its mandate in accordance with the the Roads and Fuel Tolls Act, Chapter 220. This report presents strategic and operational activities which were implemented by the Board and its Secretariat as well as the road Implementing Agencies during the year.

Tanzania's economy has continued to record strong performance in the recent years with the real GDP growing at an average rate of 7.1% between 2013 and 2017 . The Industry and construction sectors grew by 12.1% in 2017 compared to 10.7% in 2016. Construction, which contributed 22.7% of GDP, grew by 14.1% in 2017, higher than 13% in 2016; reflecting the growing investment in major projects, notably; standard gauge railway, airports and roads.

STRATEGIC ACTIONS

The Board has continued to devise and implement strategic measures with a view to addressing the challenges of increasing maintenance needs. These needs include the promotion and support of low cost technologies for road construction, and maintenance of labour-based technologies including the use of locally available construction materials.

In order to improve funds adequacy, the Board has been taking several measures; including conducting studies to explore new sources of revenue as well as strengthening the monitoring and supervision of revenue collection. The idea is to diversify sources of revenue and reduce dependency on fuel levy as the major source of revenue.

The Board has been supporting technical capacity building conducted by financing training institutions, namely Morogoro Works Training Institute (MWTI) and Appropriate Technology Training Institute (ATTI) in Mbeya. The aim is to increase the number of skilled labour-force for road maintenance. TARURA as a new entity was supported to strengthen its infrastructure, personnel and systems.

The Board in collaboration with MoWTC and TANROADS has embarked on measures aimed at modernising and upgrading weighbridge stations with the view to controlling and limiting vehicle overloading. This measure aims at minimising pre-mature road deterioration and hence the maintenance costs.

CHALLENGES

Inadequate financing continued to be the main challenge in the FY 2017/18. The amount disbursed to TANROADS and TARURA for maintenance was equivalent to 44.8% of their maintenance requirement. This has led to build-up of back-log maintenance and further deterioration of roads network.

The Road maintenance needs have continued to increase due to expanding roads network and increased local and transit traffic. In addition, the impact of abnormal heavy rainfalls, have led to the destruction of road infrastructures. This is even worse for rural roads since most of them are gravel and earth roads.

The increased road maintenance costs as mentioned above do not match with increased revenue collections. Advanced auto-mobile technologies have led to reduced fuel consumption due to enhanced vehicle efficiencies. The Board is 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.

Overloading and vandalism of roads furniture is another challenge to the Board as it increases roads maintenance costs due to pre-mature maintenance.

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

STAKEHOLDERS

Nevertheless, we appreciate the continued productive cooperation with road users and development partners. Road users are the most contributors towards the financing of road maintenance through payment of levies and

¹ Bank of Tanzania Annual Report 2017/18

charges. The Development Partners namely: DFID, EU and USAID played an important role in financing various road works which have improved accessibility in rural areas thus contributing to socio economic development. The Implementing Agencies demonstrated commitment in managing the implementation of road works. We also appreciate the cooperation from the private sector entities who worked with the Board during the year.

As a way forward, we request all stakeholders to continue cooperating with the Board to manage, protect and preserve road assets in order to optimize the use of the network by the road users and minimize the maintenance costs. This is vital for development of all other sectors as successful and timely access to socio and economic goods and services crucially depend on efficient road network.

ACKNOWLEDGEMENT

Once again, I owe credit to our stakeholders who helped the Board to perform its duties throughout the year through their direct engagement and constructive feed-back they provided to us.

The Board also would like to acknowledge with appreciation for the strategic and policy guidance received from the Ministry of Finance and Planning, Ministry of Works, Transport and Communication and President's Office Regional Administration and Local Government. I would like likewise to thank our key stakeholders, namely TRA, TPA, EWURA and Petroleum Bulk Procurement Authority for their continued cooperation in information sharing.

Let me extend my heart-felt appreciation to DFID, EU and USAID for their financial support for roads maintenance.

Last, but not the least I wish to thank the Board Members and the Secretariat for their hard work and commitment to ensure that the road network is well-maintained.

Thank you all for continued cooperation.



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

ROADS FUND MANAGER'S STATEMENT



Mr Eliud T. Nyauhenga
Roads Fund Manager

INTRODUCTION

I am honoured to present a statement on the operations of the Roads Fund Board in relation to the Fund for the FY 2017/18. During the year, the Board carried out its activities in accordance with the approved business plan and budget.

STRATEGIC ACTIONS

The FY 2017/18 annual operational plan was prepared in line with the RFB Strategic Plan to ensure that easy monitoring of strategies and evaluation of achievement in relation to the pre-set objectives. In this way, the management continued to implement the strategic activities as planned in order to ensure the attainment of strategic objectives and targets.

OPERATIONAL MATTERS

During the year, the Board planned to execute a number of activities related to its main functions, namely ensuring sustainable availability of funds for roads maintenance, disbursement of the funds to roads implementing Agencies and monitoring utilisation of the same.

The approved budget for the FY 2017/18 was TZS 1,004.1 billion. The Board planned to collect TZS 917.5 billion as appropriated budget from fuel levy and transit charges and TZS 14.9 billion from miscellaneous sources. The remaining TZS 71.6 billion was to be mobilized from Development Partners. Fuel levy continued to be the main source of revenue as it financed 97.1% of total revenue in FY 2017/18.

By end of the year, TZS 824.9 billion was collected from fuel levy, transit charges and miscellaneous sources. The amount was equivalent to 89.9% of the appropriated budget and a 5.9% increase compared to collection realised in the FY 2016/17.

The total appropriated revenue collection in the FY 2017/18 was TZS 806.2 billion which included TZS 791.2 billion from fuel levy and TZS 14.9 billion from transit charges. The collections were equivalent to 88% of the appropriated budget. This under performance was mainly caused by low volume of fuel imports.

The collection from miscellaneous sources (overloading fee, abnormal load permit fee and road reserve user charges) was TZS 18.6 billion, equivalent to 124.8% of estimated collection from the sources. This high performance was due to increased abnormal load permit charges from transport of equipment for big projects including Kinyerezi II Power Station in Dar Es Salaam.

The total disbursement from Development Partners was TZS 53.1 billion, equivalent to 74.3% of planned disbursements. EU, DFID and USAID disbursed 90%, 95% and 38% of their planned disbursements respectively. The low disbursement from USAID was due to delay in execution of the projects by implementers while the disbursement was based on actual works certified.

During the year under review, TZS 783.1 billion – equivalent to 86% of appropriated budget was disbursed to the Implementing Agencies whereas TZS 14.9 billion of miscellaneous collections was disbursed. All appropriated collections were disbursed to the Implementing Agencies according to the allocation formula. The total disbursed amount was equivalent to 85.4% of approved budget. The difference between collected and disbursed amounts was due to one month lag between collection and disbursement of funds (i.e. collection in June 2018 were disbursed in July 2018).

For accountability purposes, the RFB and Implementing Agencies signed performance agreements for the year under review. Based on the agreements, the agencies performances were assessed through their quarterly reports, technical and financial monitoring.

During the reporting period, four monitoring visits were conducted in twelve (12) councils and four TANROADS regional offices. The monitoring included assessment of pothole patching works, country-wide verification of emergency works, verification and follow-up of recommendations by technical auditors.

In addition, as part of monitoring, preventive technical audit was carried out in ten regions. The purpose of this was to achieve value for money for implemented projects through evaluating the appropriateness of funds utilisation in terms of planning, design, procurement, contract management, project closure and quality of works.

In addition, the Board conducted monitoring of revenue collection to ensure full remittance of collected amounts. The monitoring involved review of monthly collections reports from collecting agencies and visiting collecting points.

During the reporting period, a statutory audit was carried out by the CAG on the Board and Road Agencies' financial statements and the opinion of auditor was rendered upon the statements.

On the basis of monitoring and audit findings, the Board made appropriate interventions.

In order to increase the efficiency and effectiveness of the RFB staff, the Board continued to promote and support strategic capacity building through systematic and tailor-made training.

I thank the Chairman and Board Members for their guidance and support. I also extend my appreciation to all staff for their day-to-day commitments towards achieving the organizational goals.

Thank you.

Eliud T. Nyauhenga
Roads Fund Manager

**MANAGEMENT
TEAM**



Mr. Eliud T. Nyauhenga
Roads Fund Manager



CPA John R. Aswile
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 MEMBERS' REPORT

1.1 INTRODUCTION

The Roads Fund Board (RFB) presents its Report and the Financial Statements for the year ended 30th June, 2018, which discloses the state of affairs of the Board. The Statements have been prepared in accordance with the Tanzania Financial Reporting Standard (TFRS 1: the Directors' Report).

1.2 CORPORATE GOVERNANCE

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

During the year under review there was no reported case of conflicting interest among RFB Board members or among members of the Management team.

1.2.1 Functions of the Board

Pursuant to section 5(4) of the Roads and Fuel Tolls Act CAP 220, the main functions of the Road Funds Board are:

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

1.2.2 Composition and Appointment of the RFB Board of Directors

Section 5(1) of the Roads and Fuel Tolls Act, CAP 220 describes the composition and appointment of the Board members. The Board consists of nine members. As prescribed in the Act, four members are from the public sector and five are from the private sector.

The composition of the Board is as follows:

- (a) Chairperson;
- (b) Permanent Secretary - Ministry responsible for roads;
- (c) Permanent Secretary - Ministry responsible for financing;
- (d) Permanent Secretary - 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/Institutions or associations:
 - (i) Road transport industry;
 - (ii) Tourism Industry;
 - (iii) Tanzania Chamber of Commerce, Industries and Agriculture;
 - (iv) Federation of Tanzania Industry Co-operatives;
 - (v) Any organisation of road users with no potential conflict of interest.

1.2.3 Board meetings

Pursuant to paragraph 2(1) of the Fourth Schedule of the Roads and Fuel Tolls Act CAP 220, the Board of Directors is required to meet at least four times during the financial year to give guidance for the operations of the Board and provide requisite policy matters and direction on various issues.

In the FY 2017/18, the Board of Directors conducted four ordinary Board meetings and four special Board meetings to review policy matters, performance of the RFB Secretariat and Implementing Agencies and other issues related to Road Fund activities.

Members who served during the year under review and the number of meetings attended by each member are shown below:

S/N	Name	Position	Representation	Meetings
(i)	Mr. Joseph O. Haule	Chairman	Private Sector	8
(ii)	Eng. Musa I. Iyombe	Member	Permanent Secretary - PORALG	7
(iii)	Mr. Doto M. James	Member	Permanent Secretary – MoFP	8
(iv)	Eng. Joseph M. Nyamhanga	Member	Permanent Secretary - MoWTC	7
(v)	Eng. Ven K. Ndyamukama	Member	Director of Roads –MoWTC	8
(vi)	Mr. Renatus B. Fulgence	Member	Tanzania Truck Owners Association	5
(vii)	Ms. Agnes S. Namuhisa	Member	Tanzania federation of Co-operatives	7
(viii)	Mr. Leopold B. Kabendera	Member	Tanzania Association of Tour Operators	8
(ix)	Eng. Peter D. Chisawillo	Member	Tanzania Chamber of Commerce Industry and Agriculture	6
(x)	Mr. Eliud T. Nyauhenga	Secretary	Roads Fund Manager	8

The Board conducts its affairs through three Committees, namely: Technical and Finance Committee; Audit and Risk Management Committee; and Human Resources, Employment and Disciplinary Committee.

(i) The Technical and Finance Committee

The list of Members of the Committee and number of meetings (out of 8 meetings) attended by each member is shown below:

S/N	Name	Position	Representation	Meetings
(i)	Eng. Peter D. Chisawillo	Chairman	Tanzania Chamber of Commerce Industry and Agriculture	7
(ii)	Eng. Musa I. Iyombe	Member	Permanent Secretary – PORALG	7
(iii)	Mr. Doto M. James	Member	Permanent Secretary - MoFP	7
(iv)	Eng. Ven K. Ndyamukama	Member	Director of Roads -MoWTC	8
(v)	Mr. Leopold B. Kabendera	Member	Tanzania Association of Tour Operators	8
(vi)	Eng Rashid S. Kalimbaga	Secretary	Deputy Manager, Technical Services – RFB	8

(ii) Audit and Risk Management Committee

The list of Members of the Committee and number of meetings attended by each member is shown below:

S/N	Name	Position	Representation	Meetings
(i)	Mr. Renatus B. Fulgence	Chairman	Tanzania Truck Owners Association	3
(ii)	Eng. Musa I. Iyombe	Member	Permanent Secretary – PORALG	4
(iii)	Eng. Joseph M. Nyamhanga	Member	Permanent Secretary - MoWTC	4
(iv)	Ms. Agnes S. Namuhisa	Member	Tanzania Confederation of Co-operatives	4
(v)	CPA Ayub James	Secretary	Internal Auditor - RFB	4

(iii) Human Resources, Employment and Disciplinary Committee

The list of Members of the Committee and number of meetings attended by each member is shown below:

S/N	Name	Position	Representation	Meetings
(i)	Mr. Leopold B. Kabendera	Chairman	Representing Tanzania Association of Tour Operators	5
(ii)	Eng. Ven K. Ndyamukama	Member	Director of Roads -MoWTC	5
(iii)	Ms. Agnes S. Namuhisa	Member	Representing Tanzania Confederation of Co-operatives	5
(iv)	Eng. Peter D. Chisawillo	Member	Representing Tanzania Chamber of Commerce Industry and Agriculture	5
(v)	Mr. Aureus J. Mapunda	Secretary	Principal Human Resources - RFB	5

1.2.4 Roads Fund Board Management

The Roads Fund Board Management team during the reporting period was as shown below:

S/N	Name	Designation
(i)	Mr. Eliud T. Nyauhenga	Roads Fund Manager
(ii)	CPA John R. Aswile	Deputy Manager - Finance and Administration
(iii)	Eng Rashid S. Kalimbaga	Deputy Manager – Technical Services
(iv)	CPA Kukwe G. Nyabusalo	Acting Deputy Manager – Resource Mobilization
(v)	CPA Ayub James	Chief Internal Auditor
(vi)	Mr. Abdallah H. Mtey	Head of Procurement Management Unit
(vii)	Mr. Emmanuel G. Mwakajinga	Head of Information Technology

1.2.5 Risk Management and Internal Controls

The Board is entrusted with the oversight role for an efficient and effective RFB internal Control framework. During the year under review, the Management was responsible for ensuring that the existing internal controls are effective and strong enough to ensure smooth operations and achievement of the objectives of the Board. During the financial year, a risk management system framework was in place in line with the guidelines issued by the Ministry of Finance and Planning. Various internal controls to mitigate organizational risks were instituted including the continuing existence of independent Internal Audit Unit.

1.2.6 Internal Control System

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

Delegation	The overall strategic objectives of the Board are agreed by the Board of Directors, which delegates the day-to-day operations to the Management for execution. There is a clear organizational structure, detailing lines of authority.
Internal Audit	Internal Audit Unit has been established in compliance with the Public Finance Act and good corporate governance and growth of the Boards' activities. The Unit assesses risk, reviews controls and ensures that recommendations to improve controls are followed up by the Management.
Competence	Staff skills are maintained both by a formal recruitment process and a performance appraisal system, which identifies training needs. Also, necessary training; both in house and externally, helps to enhance staff skills and competences.
Budgets	The annual budgets are derived from the strategic plan of the Board. Detailed annual budgets are prepared by the Management for review by the Technical and Finance Committee and approved by the Board of Directors.
Risk Management Framework	The Management recognizes that risk management is an integral part of a sound management system. Therefore, effective risk management is embedded in all management processes within the RFB. This has been achieved 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, and review risk register, regulations and policies.
Operation Manuals	These are several operational guiding tools developed internally that describe in detail the processes and systems that are used by staff in their daily operations.
Internal check	The Management has in place a sound control system including internal check to ensure no single transaction is executed by a single person from initiation to authorisation and payment.

1.2.7 Relevant Legislations

The relevant legislations include the Public Finance Act 2001, Public Procurement Act 2011 (As amended in 2016), Public Audit Act 2008, Budget Act 2015, and Roads and Fuel Tolls Act, CAP 220.

1.2.8 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 remunerations of Directors and key Management personnel during the year ending 30th June 2018 which are shown below:

S/N	Description	TZS ['000]
(i)	Board expenses	215,414.6
(ii)	Directors' fee	55,000.0
(iii)	Management remuneration	630,876.0
Total		901,290.6

1.3 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 funds utilisation by Implementing Agencies.

In addition, the Board provides operational planning guidelines to the Implementing Agencies; to ensure that there is adherence to the operational plans that the Board enters into annual performance agreements with the implementing agencies.

During the FY 2017/18, the Board carried out its activities in according to the approved plan and budget. The Board performed preventive and technical audits for 25 regions and conducted various in-house monitoring of both fund utilisation 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.

The Board improved its management capacities by putting into operation a web-based Management information system linked with Implementing Agencies for better monitoring.

1.4 Financial Performance

The approved budget for FY 2017/18 was TZS 1,004.1 billion. The budget was expected to be collected from various Roads Fund sources. TZS 917.5 billion was planned to be mobilised as appropriated revenue (fuel levy and transit charges) and TZS 14.9 billion from miscellaneous sources (overloading fees, abnormal road permits and road reserve user charges). The remaining TZS 71.6 billion was to be mobilized from Development Partners. During the year under review, TZS 824.9 billion was collected as appropriated revenue and from miscellaneous sources. The amount was equivalent to 89.9% of the approved revenue from the sources and equivalent to 5.9% increase compared to collection in the FY 2016/17. Total appropriated revenue collection was TZS 806.2 billion – equivalent to 88% of the estimated collection of TZS 917.5 billion. Miscellaneous collection was TZS 18.6 billion – equivalent to 124.8% of approved collection from miscellaneous sources.

During the year under review, TZS 783.1 billion– equivalent to 86% of appropriated budget was disbursed to the Implementing Agencies whereas TZS 14.9 billion of miscellaneous collections was also disbursed.

The total approved disbursements from the Development Partners in the FY 2017/18 was TZS 71.6 billion. By end of the year, the actual disbursement was TZS 53.1 billion – equivalent to 74.3% of approved disbursement.

1.5 Key Performance Indicators

1.5.1 RFB Strategic Performance Indicators

RFB Five-Year Strategic Plan covers the period between 2016/17 – 2020/21 inclusive. The Board prepares its annual operational plan in line with the Strategic Plan to ensure ease monitoring of Board's strategies and evaluation of achievement in relation to the objectives.

Based on the performance indicators, the following are some of the strategic achievements for the reporting period:

	Performance Indicators	Target	Actual
(i)	Increase Collection of Roads & Fuel Tolls	10%	6%
(ii)	Disbursement of Fund to Implementing Agencies	100%	100%
(iii)	Monitoring utilisation of Fund for 10 regions	10	10
(iv)	Meet Road Maintenance needs	76%	44.8%

As indicated in **Table 1.1** below, demand for funds to finance maintenance needs have been increasing over the recent years. The increase is due to expanding roads network, upgrading of roads, increased traffic volume and impacts of climate change – particularly abnormal heavy rains.

Table 1.1 Collections versus budget (TZS Billion)

	2013/14	2014/15	2015/16	2016/17	2017/18
Annual Appropriated Budget	504.3	541.9	727.9	832.4	917.6
Annual Collection	641.1	642.4	714.5	775.8	824.9
% of collection to budget	127.1%	118.5%	98.2%	93.2%	89.9%

Source: Roads Fund Board

As a result, increase in revenue collections have not matched with the increased demand for funds. As indicated in Table 1.2 below, the total disbursements to TANROADS and TARURA during the year was enough to finance 44.8% of maintenance needs (unconstrained budget).

Table 1.2: Maintenance Needs and Disbursements and Financing Gap (TZS Billion)

Implementing Agency	2015/16			2016/17			2017/18		
	Maintenance needs	Disbursement	Financing gap	Maintenance needs	Disbursement	Financing gap	Maintenance needs	Disbursement	Financing gap
TANROADS	1,168.1	351.5	69.9%	774.8	486.7	37.2%	855.1	489.1	42.8%
TARURA							705.7	210.6	70.2%
PORALG/TARURA	622.0	167.9	73.0%	778.6	231.8	70.2%			
Total	1,790.1	519.4	71.0%	1,553.4	718.5	53.7%	1,560.8	699.8	55.2%

Source: Roads Fund Board

During the year under review, the total disbursement was equivalent to 85.4% of the appropriated budget. The budget gap is due to mismatch between increases in budgets relative to actual increase in fuel imports and fuel levy.

Table 1.3: Appropriated Budget and Disbursements (TZS Billion)

Implementing Agency	2015/16			2016/17			2017/18		
	Maintenance needs	Disbursement	Financing gap	Maintenance needs	Disbursement	Financing gap	Maintenance needs	Disbursement	Financing gap
TANROADS	454.7	351.464	77.30	519.9	487	93.62	573.1	489.1	85.4
TARURA							246.8	210.6	85.4
MoWTC	50.5	39.052	77.30	57.8	53.62	92.82	63.7	54.3	85.4
PO-RALG	216.5	167.892	77.54	247.6	231.79	93.63	26.1	22.3	85.4
RF Admin.	6.3	4.839	77.30	7.2	6.70	93.62	7.9	6.7	85.4
Total	728.0	563.2	77.4	832.3	778.82	93.6	917.5	783.1	85.4

Source: Roads Fund Board

1.5.2 RMI Performance 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 the 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 Five-Year Development Plan II.

The objective of RMI indicators is to assess performance of the Fund in terms of:

- (i) Level of reforms measured by:
 - (a) Share of Roads Fund to the road user charges; and
 - (b) Share of fuel levy to Roads Fund.

- (ii) Asset preservation measured by:
- Coverage of periodic maintenance needs;
 - Routine maintenance needs; and
 - Coverage of total maintenance needs.
- (iii) The Government's commitment to reforms is measured by share of annual disbursement against budget. On the other hand, the National Five Year Development Plan II is used to assess the alignment of the Fund to national goals.

Table 1.4: Performance Indicators for the Roads Fund

S/N	Performance Indicator	Performance Target(s)	Achieved Target in Year 2017/18	Means of Verification	Objective(s)
1	Percentage share of Roads Fund to Road Users' Charges	100% share	76.30%	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	97.13%	Annual reports	To assess level of reforms as per RMI
3	Percentage coverage of routine maintenance needs	100% coverage	85.90%	Annual reports	To assess level of asset preservation
4	Percentage coverage of periodic maintenance needs	100% coverage	46.00%	Annual reports	To assess level of asset preservation
5	Percentage coverage of total maintenance needs	100% coverage	43.10%	Annual reports	To assess level of maintenance funding
6	Percentage of annual disbursed funds compared to budgets	100% of annual budget disbursed	85%	Annual financial statement	To assess fulfilment of annual maintenance budget
	Five Year Development Plan II				
1	Adequacy of funds for road maintenance	To meet maintenance needs by at least 75%	44.80%	Number of new sources and % increase of funds	To keep all roads including new upgraded roads in good condition

Source: Roads Fund Board

1.5.3 Share of Roads Fund to Road User Charges

The indicator measures the Government's readiness to commit taxes/levies paid by road users for roads maintenance. Currently the revenue sources accruing to the Roads Fund include fuel levy, transit charges and overloading fees.

The roads user's charges (RUC) consist of all taxes, levies and charges paid by virtual of using road or for virtue that will use roads. The performance of the Board in relation to RUC is shown in **Table 1.5 below**.

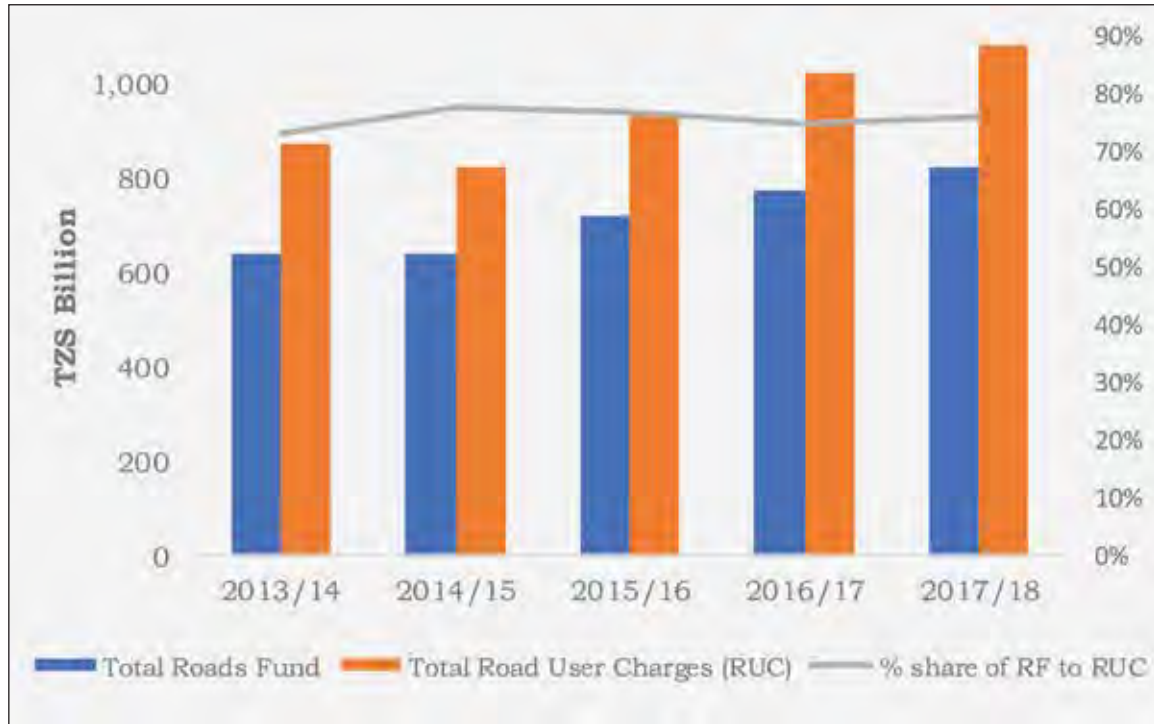
Table 1.5: Roads Fund Revenue and Total Road User Charges (TZS billion)

S/N	Source	2013/14	2014/15	2015/16	2016/17	2017/18
1	Fuel levy	626.0	623.2	705.1	744.1	791.2
2	Transit charges	6.5	7.9	9.4	11.6	14.9
3	Overloading fees	8.6	10.9	8.1	10.1	11.9
4	Roads Reserve				10.0	6.7
	Total Roads Fund	641.1	642.0	722.6	775.8	824.7
4	Other motor vehicle taxes	232.6	184.4	214.2	256.8	256.8
	Total Road User Charges (RUC)	873.8	826.4	936.7	1,032.6	1,080.5
	% share of RF to RUC		77.7%	77.1%	75.1%	76.3%

Source: Roads Fund Board and TRA

The Roads Fund share to all road user charges in the FY 2017/18 was 76.2%. The share increased from 74.9% in the FY 2016/17. This implies that there were still other road related charges that were not meant for the Roads Fund activities. These charges include motor vehicle registration fees and motor vehicle license fees which are paid into the Consolidated Fund. **Figure 1.1** shows the performance of RF against RUC and its percentage.

Figure 1.1 Performance of Road Funds and Roads User Charges



Source: Roads Fund Board

1.5.4 Share of fuel levy to Roads Fund

This indicator measures the degree of Fund's dependency on fuel levy. **Table 1.6** below shows performance of each source of revenue of the Fund. Fuel levy continued to be the dominant source of revenue – accounting for more than 96.7% of total revenue for the Fund.

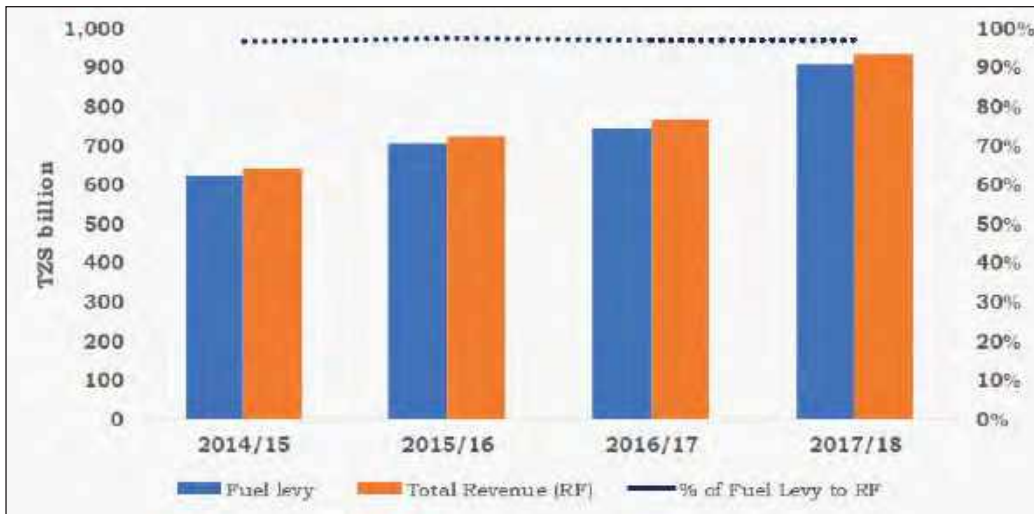
Table 1.6: Share of fuel levy to Roads Fund (TZS billion)

S/N	Source	2013/14	2014/15	2015/16	2016/17	2017/18
1	Fuel levy	626.0	623.2	705.1	744.1	791.2
2	Transit charges	6.5	7.9	9.4	11.6	14.9
3	Overloading Fees	7.9	10.9	8.1	10.2	11.9
4	Roads Reserve				10.0	6.7
	Total Revenue (RF)	641.1	642.0	722.6	765.9	824.7
	% of Fuel Levy to RF	97.6%	97.1%	97.6%	97.2%	95.9%

Source: TRA and Roads Funds Board

Figure 1.2 translates **Table 1.6** 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 mainly dependent on fuel levy collection.

Figure 1.2: Share of Fuel Levy to Total Roads Fund



Source: Roads Funds Board

1.5.5 Coverage of routine maintenance needs

Routine maintenance² 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.

As it is indicated in **Figure 1.3** below, routine maintenance needs continued to exceed the budget allocation in the FY 2017/18. However, the budget allocation increased to TZS 165 billion in the FY 2017/18 from TZS 148.9 billion in the FY 2016/17. The maintenance needs increased from TZS 207 billion in the FY 2016/17 to TZS 220 billion in the FY 2017/18. The budget allocation in the FY 2017/18 was equivalent to 75% of maintenance requirements during the year.

Figure 1.3 compares routine maintenance needs and budget and the percentage coverage of routine maintenance requirements.

Figure 1.3: Routine Maintenance Needs, Budget and % Coverage



Source: Roads Fund Board, TANROADS and TARURA

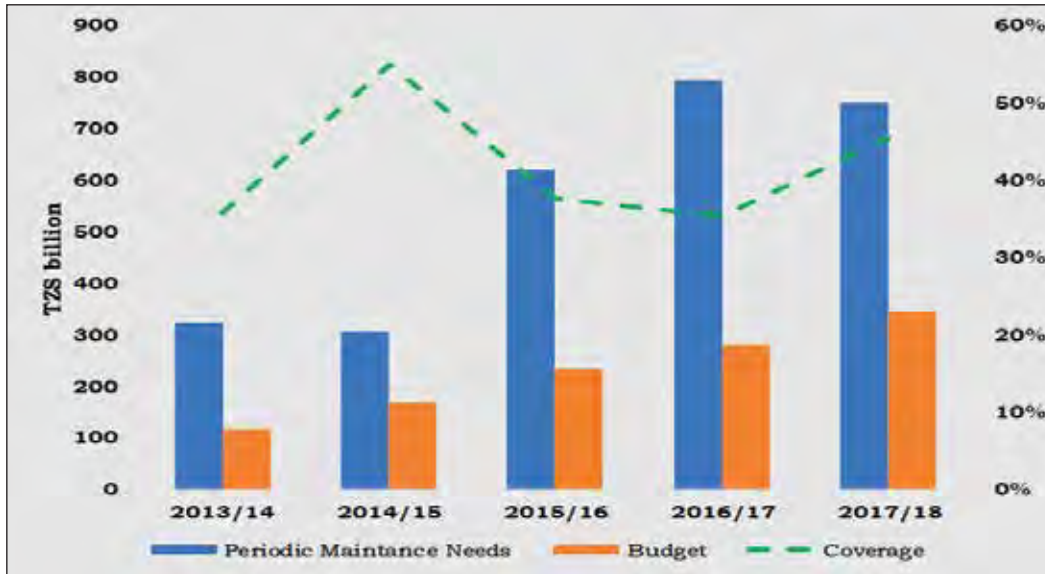
² Activities done under **routine maintenance** budget include grass cutting, drain cleaning, culvert and bridge cleaning and maintenance, road furniture and bridge guide rails maintenance, paved road patching, edge repair, crack sealing, and line remarking, and also unpaved road grading, shaping, and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

1.5.6 Coverage of periodic maintenance needs

Periodic Maintenance³ is another critical intervention in road asset preservation. It is carried out in intervals of several years depending on design of pavement for the purpose of prolonging 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.

As depicted in **Figure 1.4** below, the percentage of coverage of periodic maintenance has been erratic without covering fully the periodic maintenance requirements. In the FY 2017/18 the coverage was maintained at 35.2% as in the FY 2016/17.

Figure 1.4: Periodic Maintenance Needs, Budget and its % Coverage



Source: Roads Fund Board, TANROADS and TARURA

1.5.7 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.

As depicted in **Figure 1.5**, budget allocation to finance maintenance needs in the FY 2017/18 was enough to cover only 44.8% of requirements. As shown in the figure, the coverage has been declining for the past four financial years. The decline is partly caused by the expansion of classified roads network, impacts of climate change – particularly abnormal heavy rainfall, increased traffic volume and increased costs of construction materials due to inflation.

Figure 1.5: Total Maintenance Needs Against Budget



Source: TARURA and TANROADS

1.5.8 Disbursed Funds compared to Approved Budgets

The objective of this performance indicator is to assess Government's commitment to ensure approved annual maintenance budgets is implemented. During the period, 85% of the budget was disbursed to implementing agencies for road works as shown in **Table 1.7** below.

Table 1.7: Annual Approved Budget, Collections and Disbursement (TZS billion)

	2013/14	2014/15	2015/16	2016/17	2017/18
Annual Appropriated Budget	504.3	541.9	727.9	832.4	917.6
Annual Appropriated Collection	641.1	642.4	714.5	755.7	806.2
% of collection to budget	127%	119%	98%	91%	88%
Disbursement	504.3	541.9	629.3	755.7	783.1
% of disbursement to budget	100%	100%	86%	91%	85%

Source: Roads Fund Board

As indicated in the above Table, percentage of disbursement over annual budget for FY 2017/18 declined to 85% from 91% in FY 2016/17. On the other hand, percentage of annual disbursement to budget decreased to 88% compared to 91% in FY 2016/17.

1.5.9 Development Partners' Funds

During the year under review, TZS 53.0 billion was disbursed to Implementing Agencies. The disbursed amount was 74.1% of estimated funds from Development Partners. Breakdown of disbursements from each Development Partner is indicated in the **Table 1.8** below.

Table 1.8: Disbursement of Funds from Development Partners [TZS billion]

Development Partners	Budgeted Disbursement	Actual Disbursement	% of disbursed amount
EU	36.0	32.4	90.0%
DFID	12.4	11.7	94.4%
USAID	23.1	8.9	38.5%
Total	71.5	53.0	74.1%

TZS 30.4 billion and TZS 22.6 billion from the Development Partners were disbursed to PORALG and MoWTC, respectively, to finance the implementation of road programmes.

1.6 Employees' Welfare

The total number of employees of the Board during the year was 21 staff. The relationship between the Management and employees has been good all the time. There were no un-resolved complaints received by the Management from the employees during the year. During the period in question, two employees were recruited and one employee has retired.

1.7 Solvency

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

1.8 Future Plans

The Board's future plans are guided by the Five Year Strategic Plan (2016/17 - 2020/21) which focuses on six objectives, namely:

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

1.9 Post Balance Sheet Events

The Directors are not aware of any significant matter or circumstances during the financial year which had significant effect on the financial position of the Roads Fund Board and results of its operations as laid out in these financial statements.

1.10 Seriously Pre-judicial Matters

During the year ended 30th June, 2018 there was no any serious prejudicial matters worth reporting.

1.11 Accounting Policies

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

1.12 Capital Management

RFB capital includes capital fund, accumulated surplus and Development Partners financial 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. In the FY 2017/18 this objective remained intact.

1.13 Statutory Auditors

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

1.14 Auditors' Opinion on Financial Statements

The CAG performed the audit for the FY 2017/18 RFB Financial Statements and obtained unqualified opinion as shown below. The Audited Statements are presented in Annex 6(a).

By the Order of the Board



.....
Chairman of the Roads Fund Board

29th March, 2019

.....
Date

2.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board,

Board of Directors,
Road Fund Board,
Njedengwa Investment,
P. O. Box 993,
DODOMA.

Report on the audit of financial Statements of Road Fund Board for the financial year Ended 30 June 2018

Unqualified Opinion

I have audited the accompanying financial Statements of Road Fund Board, which Comprise the Statement of Financial Position as at 30 June 2018 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.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Road Fund Board as at 30 June 2018, 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 Board 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 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, Section 10 (2) of the Public Audit Act No. 11 of 2008 requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement (amendment) Act 2016 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 (amendment) Act, 2016

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 Board procurement transactions and processes have generally complied with the requirements of the Public Procurement (amendment) Act, 2016 and its underlying (amendment) Regulations of 2016.

Prof. Mussa Juma Assad

CONTROLLER AND AUDITOR GENERAL

31 March 2019

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



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

Permanent Secretary,
Ministry of Finance and Planning,
Treasury Square Building,
18 Jakaya Kikwete Road,
P.O. Box 2802,
DODOMA.

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

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

2.1 INTRODUCTION

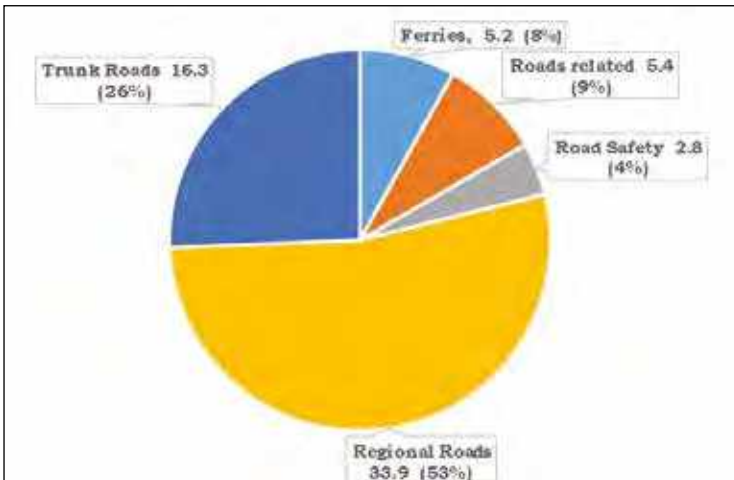
In accordance with Section 4 (4) of the Roads and Fuel Tolls Act, CAP 220, MoWTC receives 10% of the 70% budget allocation for national roads. MoWTC and the Roads Fund Board do sign Annual Performance Agreement prior to disbursement of funds.

This part presents physical and financial status of MoWTC implementation of Annual Performance Agreement on works related to trunk and regional roads projects funded by the Roads Fund in the FY 2017/18.

2.2 ANNUAL BUDGET

In the FY 2017/18, a total of TZS 63. 7 billion was budgeted for the Ministry to execute development projects. The operational plan covered projects related to trunk and regional roads, ferries, road safety and environment, administrative activities and cross-cutting issues as shown in Figure 2.1 below.

Figure 2.1: MoWTC Roads Fund Allocation [TZS billion]

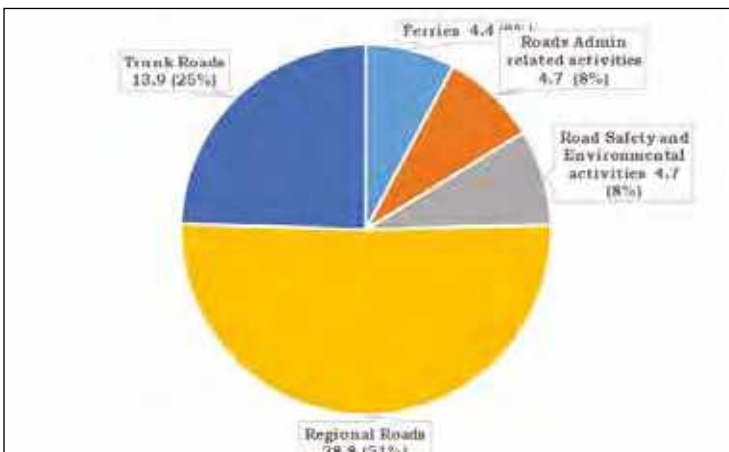


Source: MoWTC & RFB

2.3 OVERALL PHYSICAL AND FINANCIAL PERFORMANCE

During the FY 2017/18, TZS 54.3 billion was disbursed to MoWTC. This 85.4% of the annual budget. The total cumulative expenditure during the year was TZS 26.4 billion - equivalent to 52.3% of the annual budget - as shown in Figure 2.2 below.

Figure 2.2: Breakdown of Total Expenditure [TZS billion]



Source: MoWTC & RFB

Low expenditures on Trunk roads was caused by delays in procurement processes for most of the projects and a slow pace of implementation of some projects whose payment were output-based. The operational plan and implementation is elaborated below.

2.4 PROJECTS

2.4.1 Trunk roads Project

During the year, a total of TZS 13.9 billion was allocated and disbursed to MoWTC for trunk roads projects. The total expenditure on the projects during the year was TZS 8.9 billion - equivalent to 54.9% of the disbursed amount. The low expenditure is attributed to delay in procurement. The physical performance of the trunk roads projects were at the stage of feasibility studies and detailed designs as shown in **Annex 1**.

2.4.2 Regional Roads Projects

During the year, a total of TZS 33.9 billion were allocated for regional road projects. The planned activities were:

- (i) Rehabilitation and upgrading of 730.8 km to gravel standard and/or to bitumen standard;
- (ii) Construction of 12 bridges including the feasibility study and detailed design; and
- (iii) Training sessions for roads development and maintenance programmes as implemented by Appropriate Technology Training Institute (ATTI); Morogoro Works Training Institute (MWTI); Women Participation Unit (WPU); and the Tanzania Technology Transfer Centre (TANT2 Centre).

By 30th June, 2018 a total of TZS 28.8 billion was disbursed. The total expenditure was TZS 13.1 billion, equivalent to 38.6%. The main reason for the low performance was due to the delay in finalizing procurement processes for some projects and un-favourable weather in some regions. Details of the regional projects including their financial and physical plans as well as their performance during the year is presented in **Annex 2**.

2.4.3 Ferries Projects

In the FY 2017/18, a total of TZS 5.2 billion was allocated to implement the following activities:

- (i) TZS 2.3 billion for procurement of a new ferry to ply between Kayenze and Bezi Island in Lake Victoria;
- (ii) TZS 1.8 billion for construction of new ferry ramps for Kilombero river crossing at Kikove area between Mlimba and Malinyi;
- (iii) TZS 550 million for rehabilitation of ferries; and
- (iv) TZS 522 million for monitoring and evaluation of ferry projects.

As of 30th June 2018 the cumulative funds released was TZS 4.4 billion and the same amount was spent. Table 2.1 below shows in detail the projects financial and physical plans and its performance during the year.

Table 2.1: Project/Activities Funded from Roads Fund Budget – Ferries (Physical)

S/N	Project /Activity	Annual Plan	Achievement	Remarks
1	Procurement of one new ferry to ply between Kayenze and Bezi Island in Lake Victoria	100%	25%	Contracting at advanced stage. To be completed after approval of tax exemption from TRA.
2	Construction of new ferry ramps for Kilombero river crossing at Kikove area between Mlimba and Malinyi	100%	20%	Contract prepared and its signing preparation underway.
3	Rehabilitation of ferries	100%	35%	Was ongoing
4	Monitoring and evaluation of ferry projects and other related activities	100%	100%	Monitoring of ferry projects were conducted in 12 regions: Coast, Dar es Salaam, Morogoro, Tanga, Lindi, Mtwara, Ruvuma, Kigoma, Kagera, Geita, Mwanza and Mara.

2.5 ROAD RELATED ADMINISTRATIVE ACTIVITIES

TZS 5.4 billion was allocated to facilitate the implementation of road related administrative activities as described below:

- (i) Ministry's Annual Plan and Budget Estimates for the FY 2018/19 was prepared and tabled to the Parliament for approval. The Annual Plan and Budget Estimates were approved by the Parliament on 25th April, 2018;
- (ii) Ministry's Annual Action Plan for the FY 2018/19 was prepared and submitted to MoFP in June, 2018;
- (iii) Annual Performance Agreement for the FY 2018/19 between Roads Board and the MoWTC (Works) was prepared and signed;
- (iv) Compilation of data for the publication of Sectoral Statistics Book for 2017;
- (v) One motor vehicle 4WD Hard Top for monitoring the development projects was procured;
- (vi) The Ministry participated in three regional road related meetings namely: Ministerial Meeting on Transport, Communication and Meteorology; Programme for Infrastructure Development in Africa meeting and East African Trade and Transport Facilitation Project;
- (vii) The Ministry conducted a special programme on the development projects implemented by the Ministry for the FY 2017/18 through television coverage in May, 2018; and
- (viii) Construction works for Ministry's (Works) Headquarters Building located at Moshi Avenue in Dodoma were ongoing. The overall construction works performed was 55%.

Up to 30th June, 2018 the total funds released were TZS 4.7 billion while the total expenditure was TZS 4.2 billion which is equivalent to 77.7% of the funds released. Details of the administrative activities and performance on financial and physical plans during the the FY 2017/2018, are summarised in **Annex 3**.

2.6 ROADS SAFETY AND ENVIRONMENT ACTIVITIES

During the FY 2017/18, TZS 2.8 billion was allocated for Roads Safety and Environment Activities. The planned activities included:

- (i) Installation of slow-weigh-in-motion weighbridge in urban roads and construction of data centre;
- (ii) Electronic permit system for abnormal load (E-permit), RAIS and CCTV cameras;
- (iii) Purchase and installation of prototype surveillance cameras;
- (iv) Establishment of One Stop Inspection Stations;
- (v) Conduct Road Safety Audit in Central zone;
- (vi) Support to environmental management project in the road sector;
- (vii) Conduct road safety awareness campaigns;
- (viii) Skill development on road safety profession; and
- (ix) Monitoring and evaluation of roads and vehicle safety.

During the year, a total of TZS 1.9 billion was released for the implementation of the above activities. The total expenditure was TZS 930.7million, equivalent to 32.9% of the released funds. The low expenditure was attributed to late payment and transfer of some of projects to TANROADS for implementation. The summary of physical and financial performance for road safety and environmental activities is presented in **Annex 4**.

2.7 IMPLEMENTATION CHALLENGES

In the FY 2017/18, the main challenge that faced the Ministry was delays in finalising the procurement process and resultant delays in the implementation of various activities especially for regional roads projects. The delays impacted the overall performance in the implementation of the planned activities.

2.8 AUDITORS' OPINION ON FINANCIAL STATEMENTS

The Controller and Auditor General performed the audit for the MoWTC Financial Statements for the FY 2017/18. The Ministry obtained unqualified opinion as shown in Annex 6(b) 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, 2018

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, 2018, and statement of cash flow for the year then ended, and notes to the financial statements.

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.

Prof. Mussa Juma Assad
CONTROLLER AND AUDITOR GENERAL

March 2019

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PART THREE

PERFORMANCE REVIEW OF PORALG

3.0 INTRODUCTION

In accordance with Section 4 (4) of the Roads and Fuel Tolls Act, CAP 220, PORALG receives 10% of the 30% budget allocation for District roads. PORALG and the Roads Fund Board do sign Annual Performance Agreement prior to disbursement of funds.

This part presents physical and financial status of PORALG implementation of Annual Performance Agreement on works related to District roads projects funded by the Roads Fund in the FY 2017/18.

In the FY 2017/18, PORALG approved road fund development budget for rural and urban roads was TZS 26.2 billion as shown in Table 3.1 below.

Table 3.1 Approved Roads Fund Budget for FY 2017/18 (TZS Billion)

	Activity	Funds Allocation
(i)	Roads Development	23.5
(ii)	TARURA Design of HQ Offices	0.2
(iii)	TARURA Construction of HQ Offices	0.4
(iv)	PORALG Monitoring and Related Administrative Costs	2.1
Total		26.2

3.1 ROADS FUND RECEIPT AND EXPENDITURE

Up to 30th June, 2018, PORALG received a total of TZS 22.3 billion, equivalent to 85.4% of its appropriated budget.

During the FY 2017/18 a total of 351.03 km of roads and three bridges were constructed out of 790.6 km and 15 bridges planned. The achievement is equivalent to 44% of planned physical works during the year. TZS 13,861.9 million - equivalent to 28% of budget - was spent in financing the construction of the roads and bridges. Most of the works was implemented in the 4th quarter. Delays were caused by review of designs and procurement processes as well as the prolonged rain season.

In the FY 2017/18, a total of TZS 3,500 million; as special request from RFB were disbursed directly to TARURA.

The summary of development projects which were funded by RFB and their implementation status is presented in **Annex 5**.

3.2 DEVELOPMENT PARTNERS SUPPORTED PROGRAMMES

During the year under review, TZS 30.4 billion from Development Partners was disbursed to PORALG to finance the following road programmes.

3.2.1 Improving Rural Access in Tanzania (IRAT)

PORALG continued to implement the Improving Rural Access in Tanzania Programme. During the year, TZS 11.8 billion was disbursed to finance the implementation of the programme activities. Out of the disbursed amount, TZS 11.7 billion was allocated to TARURA to finance road development projects - specifically for the completion of Phase IV and Phase V Projects. TZS 58.7 million (0.5% of the disbursed funds) was allocated to PORALG to finance monitoring and administrative activities.

(i) Phase II Projects

IRAT Phase II Projects were implemented in 11 Councils⁴ with a total cost of TZS 26.4 billion. Construction works have been completed in nine Councils with a total expenditure of TZS 20.6 billion.

Works in two Councils (Iringa and Kilombero) were at an advanced stage. There were delays in completing the construction of Tagamenda Bridge in Iringa MC due to heavy rains and technical problems during piling works. The bridge structure was completed and approaches were in progress. The overall physical progress was 95% while the financial performance was 88.6%.

In Kilombero DC, following the under performance of the previous Contractor, the contract for Chita-Melesa Lot I was terminated. Up to the termination period, the progress for Lot I was 60%. The process of re-tendering was ongoing.

For Lot II, the overall physical performance was 80%. The Delay in completing the work was attributed to heavy rainfall.

(ii) Phase III Projects

Phase III of IRAT programme was implemented in seven district councils: Busokelo, Bahi, Dodoma, Kyela, Rungwe, Iramba and Kibiti. TZS 24.4 billion were set aside for the implementation of 17 contracts under Phase III.

Up to 30th June, 2018, a total of 13 contracts were completed in six (6) Councils: Busokelo DC, Dodoma MC, Iramba DC, Kyela DC, Rungwe DC and Bahi DC.

The remaining four contracts were in progress. The total expenditure for this was TZS 15.7 billion, equivalent to 67.5% of the released funds.

(iii) Phase IV Projects

The implementation of Phase IV projects was financed through additional funds of TZS 12.5 billion from *UK International Climate Change Fund* which were released in the FY 2016/17. Projects under Phase IV were implemented in nine LGAs: Kyerwa DC, Kishapu DC, Babati DC, Kondo DC, Magu DC, Mpwapwa DC, Bariadi DC, Kibiti DC and Songwe DC.

Up to 30 June, 2018, five out of eleven contracts were completed in three Councils: Kyerwa DC, Magu DC and Bariadi DC. Works in the remaining six Councils were in progress. A total of TZS 6.3 billion which is equivalent to 52.39% was spent out of TZS 12.5 billion released.

(iv) IRAT Phase V Projects

The implementation of Phase V projects was financed through remaining funds of TZS 5.7 billion from UK International Climate Change Fund. The five (5) targeted District Councils were Ushetu DC, Dodoma MC, Gairo DC, Kisarawe DC and Rungwe DC. Up to 30th June, 2018, the total expenditure for this project was TZS 1.2 billion, equivalent to 21.24% of TZS 5.7 billion.

3.2.2 Partnership for Growth (PFG) – Feed the Future Programme

USAID, through Feed the Future Programme, aimed to improve 1,000 km in four (4) district councils, namely: Kilombero DC, Mvomero DC, Kongwa DC and Kiteto DC.

Under Phase I, 179.8 km of roads were improved as quick-win projects in the FY 2015/16 and was successfully completed.

Phase II of the Programme targeted to improve 275.10 km in the same LGAs to gravel standard.

By end of the FY 2017/18, five contracts were completed and the remaining seven were ongoing. The total expenditure was TZS 8.9 billion (38.5%) out of TZS 23.1 billion of the budget.

3.2.3 EU Projects Under Road Transport Sector and Policy Support Programme Phase II (RTSPSP II)

(i) Phase I

The projects under the Road Transport Sector and Policy Support Program (RTSPSP) Phase II were implemented in 16 councils with a total budget of TZS 10.8 billion.

By the end of the FY 2017/18, the total expenditure for the project was TZS 7.4 billion, equivalent to 76.3% of the disbursed amount of TZS 9.7 billion. The project implementation in various councils was as follows:

- Projects were completed in 10 LGAs, namely: Tunduru, Ruangwa, Kilindi, Chato, Magu, Iringa, Kisarawe, Kilolo, Kondo and Kalambo;

4 Babati, Bahi, Dodoma MC, Gairo, Hai, Iringa MC, Kilombero, Kyerwa, Siha, Tunduma and Wang'ing'ombe

- Works in four Councils (Dodoma MC, Geita TC, Kaliua DC and Mpwapwa DC) were at different stage of implementation. Implementation was at 70%;
- In Nkasi DC, the design of Kavunja Bridge (40m span) was ongoing at a contract amount of TZS 299.3 million; and
- In Ulanga DC, works were on-going.

3.3 PORALG HQ ACTIVITIES

During the FY 2017/18, PORALG received TZS 2.1 billion – equivalent to 100% of the estimated budget. The funds were used to finance monitoring, administration activities, budget preparation, purchase of two monitoring vehicles and purchase of working tools i.e. printer and computers.

Furthermore, the awareness meetings for District Commissioners on TARURA establishment; were facilitated. In Addition, two PORALG staff attended IRF meeting in New Delhi and one staff attended Labour Based Seminar in Ethiopia.

3.4 UNDERLYING POLICIES

PORALG operations were guided by various policies set by the Government. The underlying policies included gender issues, job creation, labour-based technology, support development of local contractors, HIV/AIDS, environmental protection, and private sector participation. All policies were observed during the implementation of various activities.

In addition, 26,256 labourers were employed, whereby 7,212 (27%) were women and 19,598 (73%) were men. The total payment to the labourers was TZS 31.9 billion. A total of 37 groups were formed and registered by CRB and recognised by PPRA for road maintenance. The groups were in Kongwa (6), Mang'ula (3), Morogoro MC (6), Dodoma MC (5), Kiteto DC (13), Ifakara TC (2), Mlimba (1), Turiani (1), Manyoni DC (1), and Mbozi DC (1).

3.5 CHALLENGES AND MEASURES TAKEN

Table 3.2 summarises the challenges faced by PORALG during the implementation of development programmes in the FY 2017/18.

Table 3.2: Summary of Challenges and Measures Taken

	Challenges	Measures taken to address
1	In adequate emergency funds to meet the damages of road infrastructures caused by heavy rains.	PORALG requested support from Roads Fund and Development Partners to fill the gap. The requested amount was TZS 158 billion to restore damaged roads network.
2	Delays of works, attributed to TARURA establishment.	PORALG directed TARURA Management to speed-up the implementation of works after reviewing the designs and formation of Regional Tender Boards.

3.6 AUDITORS' OPINION ON FINANCIAL STATEMENTS

The Controller and Auditor General performed the statutory audit for the FY 2017/18 Financial Statements. PORALG obtained unqualified opinion as shown below. The Audited Statements are presented in **Annex 6(c)**.

2.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

To: **Permannet 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, 2018

Unqualified Opinion

I have audited the accompanying financial statements of Roads Fund for President's Office Regional Administration and Local Government which comprise the Statement of Financial Position as at 30th June, 2018 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 in audited financial statements.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Roads Fund as at 30th June, 2018, and its financial performance and cash flows for the year then ended in Accrual basis of accounting 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 statement section of my report. I am independent of Roads 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 these requirements and the JESSA Code.

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

Other Information than the Financial Statements and Auditor's Report

Thereon

Management is responsible for the other information. The other information comprise of the Director's Report and the Declaration by the Head of Finance but docs 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 a seperate 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 the audit report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 (amended 2016)

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 for PO RALG procurement transactions and processes have generally complied with the requirements of the Public Procurement Act No.7 of 2011(amended 2016) and its underlying Regulations of 2013(amended 2016).

Prof. Mussa Juma Assad
CONTROLLER AND AUDITOR GENERAL

March, 2019

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PART FOUR PERFORMANCE REVIEW OF TARURA

4.0 INTRODUCTION

In accordance with Section 4 (4) of the Roads and Fuel Tolls Act, CAP 220, TARURA receives 27% of the total Roads Fund budget allocation. TARURA and the Roads Fund Board do sign Annual Performance Agreement prior to disbursement of funds.

This part presents physical and financial status of TARURA implementation of Annual Performance Agreement on works related to District roads projects funded by the Roads Fund in the FY 2017/18.

TARURA has a mandate of developing and maintaining approximately 52,942 km of classified roads and 74,547 km of unclassified roads. The Government is in the process of verifying and classifying the unclassified roads network.

4.1 MAINTENANCE BUDGET

The approved budget in the FY 2017/18 was TZS 246.8 billion. In addition, TARURA managed to use TZS 30.9 billion of rolled-over maintenance funds from the three previous financial years 2014/15, 2015/16 and 2016/17. Also TZS 6.0 billion was allocated to cater for expenses related to TARURA establishment. Therefore, the total amount allocated for maintenance was TZS 283.7 billion. The detailed breakdown of the budget is shown in **Table 4.1** below.

Table 4.1: Breakdown of the FY 2017/18 Budget

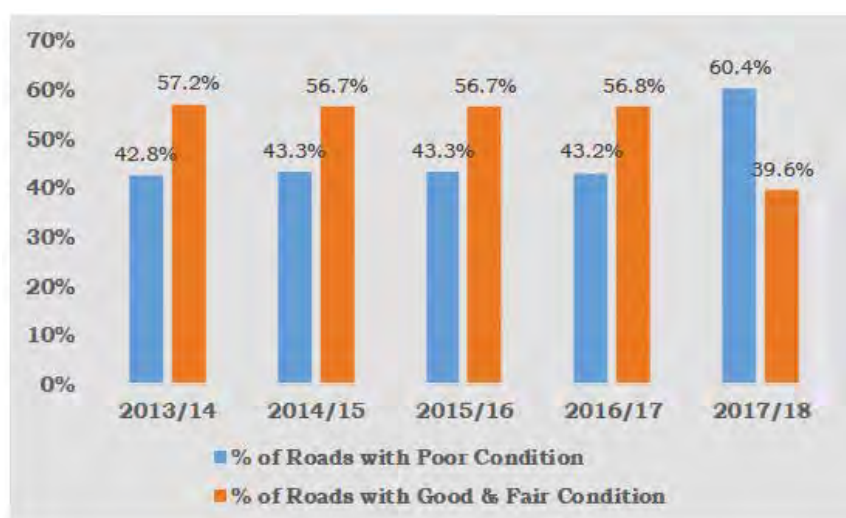
	Annual Estimates		
	Target (Km)	Budget (TZS Billion)	(%) of Total Budget
Maintenance Works			
Routine maintenance	24,674.7	44.4	15.6
Spot improvement	7,477.5	34.0	12.0
Periodic maintenance	6,814.3	119.4	42.1
Maintenance bridge/culverts	192 boxes, 2,551 lines, 196 bridges	49.9	17.6
	72 drifts & 51,252m line drainage		
Sub Total - Maintenance Works	38,966.4km	247.7	87.3
Emergency (Provisional)		5.8	2.04
Monitoring and Supervision			
TARURA HQ		1.1	0.39
Regional Offices		1.5	0.54
Supervision to TARURA-Councils		14.0	4.94
Supervision of Road Fund Development projects		0.5	0.16
Administration costs		1.1	0.37
Recruitment of Staff		1.9	0.68
Sub Total - Monitoring and Supervision		20.10	2.14
Non-Works Component			
Capacity building		0.77	0.27
Operations of Road Research Centre		0.19	0.07
Purchase of 4 vehicles for TARURA HQ		0.56	0.2
Purchase of 4 houses for TARURA Staff		0.71	0.25

	Annual Estimates		
	Target (Km)	Budget (TZS Billion)	(%) of Total Budget
Annual Stakeholders Meeting		0.85	0.3
Review of development projects designs		0.04	0.01
Road research activities		0.36	0.13
Office renting for Regions and Councils offices		0.39	0.14
Renovation of Buildings for TARURA's Regional and Council Offices (Fund from Supervision of Development Projects and Operations Road Research Centre)		0.59	0.2
Sub-Total (Non – Works)		4.4	1.45
Additional Items to Budget			
Purchase of 20 vehicles (RFB additional fund)		2.18	0.77
Design, develop and installation of TARURA financial management information system and extension of PORALG WAN to TARURA offices (RFB additional fund)		1.21	0.42
Purchase of furniture for Regional and Council offices (RFB additional fund)		2.33	0.82
Sub Total (Non – Works)		5.7	2.13
Grand Total	38,966.4	283.74	100

4.2 ROADS CONDITION

As indicated in **Figure 4.1**, the proportion of roads with good and fair condition declined in the FY 2017/18 compared to the FY 2016/17. Correspondingly, the proportion of roads with bad condition was higher by the end of the FY 2017/18 compared to end of the FY 2016/17. The main reason for increased proportion of roads with bad condition was due to heavy rains throughout the country from March – May 2018. The rains caused massive destruction of TARURA road network – particularly earth and gravel roads. An assessment of the destruction was carried out in June 2018 and established a total of TZS 158 billion which was required to restore the roads. However, due to limited funds, it was not possible to adequately work on the damaged roads. **Figure 4.1** below depicts the roads conditions by years.

Figure 4.1: Road Condition



4.3 RELEASE OF FUNDS AND EXPENDITURE

Cumulatively, TARURA received maintenance funds amounting to TZS 210.6 billion up to the end of the FY 2017/18 which was equivalent to 85.4% of the total maintenance budget.

4.4 MAINTENANCE WORKS

During the FY 2017/18, TARURA planned to implement 38,966.4 km of road maintenance works and structures (box culverts, pipe culverts, bridges, drifts and lined drains) altogether worth TZS 247.7 billion. The overall physical and financial performance achievement up to 30th June, 2018 was 96% and 73% respectively, as shown in **Table 4.4** below.

Table 4.4: Summary of Performance of Maintenance Works as of 30th June, 2018.

S/N	Maintenance activity	Planned activities in 2017/18		Achievement in 2017/18			
		Physical (km)	Financial (TZS mil.)	Physical (km)	%	Financial	%
(i)	Routine maintenance	24,674.7	44,354.0	23,441.0	95	41,306.2	93
(ii)	Spot improvement	7,477.5	33,988.7	7,224.3	97	25,639.8	75
(iii)	Periodic maintenance	6,814.3	119,445.7	6,734.8	99	84,472.4	71
(iv)	Cross and drainage structure	192 boxes, 2,551 lines, 196 bridges, 72 drifts and 551,252 lines drainage	49,955.2	26 boxes, 166 culverts, 23 bridges, 11 drifts, 23.3m lines drainage			
		38,966.4	247,743.0	37,400.1	96	179,374.7	72

Source: TARURA

4.5 EMERGENCY WORKS

A provisional sum of TZS 5.8 billion equivalent to 2.04% of the total budget was allocated during the FY 2017/18 for emergency works. Councils requested a total of TZS 158 billion for emergency works for road infrastructure assets, which were damaged by heavy rains from March to May 2018. However, due to insufficient funds, TARURA managed to pay TZS 5.7 billion only during the year.

4.6 SPECIAL FUNDS ALLOCATION

During the reporting period, the Roads Fund Board approved the release of TZS 3.5 billion for implementation of the projects listed in Table 4.5 below: Table 4.5: List of Special Projects.

Table 4.5: List of Special Projects

	Region	Council	Activity	Funds Requested (TZS Million)	Cost of Project (TZS Million)	Funds Received (TZS Million)	Status	
							Financial Progress	Physical Progress
1	DSM	Temeke MC	Construction of foul drainage system at Tuangoma Temeke M C and Masaki-Malela 2.0KM	761.9	500.0	500.0	0%	0%
2	Coast	Mkuranga DC	Construction of Box Culvert along Kiguza-Kitonga-Ujenzi	494.0	494.0	–	0%	30%
			Construction of Box Culvert and rise of embakment along Mwanambaya - Mipeko	427.9	427.9	–	0%	85%
			Construction of Box Culvert and rise of embakment along Tambani -Mbande -Ujenzi	392.5	392.5	–	0%	75%
3	Coast	Kibaha TC	Upgrading of 1km road in investment area at Kibaha T C	1,000.0	500.0	500.0	0%	0%
4	Kagera	Bukoba MC	Rehabilitation of Kashura Road 1km	500.0	500.0	500.0	0%	15%
5	Manyara	Hanang DC	Rehabilitation works along Ming'enyi - Milongori Road 20km	705.1	500.0	500.0	0%	40%
6	Njombe	Makete D C	Rehabilitation of Lupila kipengele road	706.8	500.0	500.0	0%	0%
		Ludewa D C	Opening of Mawengi-Makonde 3km	791.2	500.0	500.0	0%	0%
8	Arusha	Arusha CC	Upgrading of Murieut road 1km to bitumen standard DSD	3,200.0	500.0	500.0	0%	0%
					4,814.4	3,500.0		

Source: PORALG

4.7 PROGRESS OF DEVELOPMENT AND APPLICATION OF DROMAS

DROMAS is a system used to manage district roads. The system was still under development. The remaining features to be developed included:

- i. Planning Module for prioritization;
- ii. Integration and linking SW-App & SW Maps (i.e. facilities for mobile inventory, and Road geometry editing module);
- iii. Linking of CoST (Construction Sector for Transparency and Initiatives) template; and
- iv. Sustainability/ deploy System Programming.

During the period under review, the system was used to store and analyse data for roads' condition, roads' inventory and traffic count.

4.8 STAFF MATTERS AND OFFICE REQUIREMENTS

4.8.1 Staff Matters

During the period under review, the total number of staff was 1,447, comprising of 1,334 seconded staff from various Government institutions (Ministries, Agencies, Regional Secretariats, PORALG and LGAs) and 113 short-term contract staff. The total number of available staff was equivalent to 35.4% of the total requirement i.e. 4,092 as indicated in **Table 4.6**. The recruitment process of additional staff to meet the requirement was on-going.

Table 4.6: TARURA Staff complement

	Station	Required	Available	Deficit	%Deficit
1	Head Quarters	102	90	12	11.8%
2	Regional Offices	494	194	300	60.7%
3	Council Offices	3,496	1,163	2,333	66.7%
	Total	4,092	1,447	2,645	64.6%

To address the shortage of staff, TARURA engaged a total of 168 temporary staff and volunteers.

4.9 LABOUR BASED TECHNOLOGY GROUPS

During the reporting period, TARURA implemented labour based technology activities through various groups which were formulated in collaboration with Councils and Appropriate Technology Training Institute (ATTI). A total of 37 groups were registered by CRB to undertake routine roads maintenance works. This is one of the strategies to provide employment and incomes to local communities through road work activities.

Also, TARURA collaborated with ILO under the auspices of the ILO's Employment Intensive Investment Project (EIIP). One of the objectives of the collaboration was to formulate sustainable groups which will later on be given contract on routine road maintenance works as part of the efforts by the Government to curb poverty and provide employment.

Intensive-labour based routine maintenance of roads is cheaper and it stirs a sense of road ownership to the LBTGs members and the rest of the citizens who in most cases work hand-in-hand with their groups.

4.10 TABLE 4.7: FULL REGISTERED BY CRB GROUPS

S/N	Group Name	Number of Members	Number of Women	Number of Men	Location
1	Nguvu kazi	30	17	13	Iduo, Kongwa
2	Muongano	25			Njoge Kongwa
3	Chihange	28	15	13	Masinyeti Kongwa
4	KTM	29	15	14	Kazamoyo Kongwa
5	Mshikamano	30	12	18	Suguta Kongwa
6	Juhudi	27	17	10	Hemba Hemba Kongwa
7	Nguvukazi	30	17	13	Mjimwema Kongwa
8	Nguvukazi	19	8	11	Hemba Hemba Kongwa
9	Safina	30	18	12	Chang'ombe Kongwa
10	Mshikamano	27			Pandambili Kongwa
11	Muongano	25	17	8	Njoge kongwa
12	Umoja ni nguvu	18			Mgudeni, mang'ula
13	Tushikamane	36	7	29	Mgeta mvomero
14	Kazigroup Kiswanya				

S/N	Group Name	Number of Members	Number of Women	Number of Men	Location
15	Wakandarasi jamii Namwala				
16	Nguvukazi road Wami Dakawa				
17	Nguvukazi Langali				
18	Jitume group	20	5	15	Mhelule
19	Kwa pamoja tunaweza Dihombo				
20	Barabara group Ngalimila				
21	Mawasiliano Ihemba				
22	Chapakazi Mofu				
23	Mwendokasi Idandu				
24	Umoja group kwamahunzi				
25	Hapa kazi tu-Engusero 30 10 20 Engusero - kiteto				
26	Upendo-Bwawani	30	9	21	Bwawani - Kiteto
27	Umoja group-Wezamtima	30	9	21	Bwawani - kiteto
28	Nguvu kazi-Njiapanda	30	16	14	Namelock - Kiteto
29	Mwendokasi-Kiperesa	30	15	15	Kipelesa - Kiteto
30	Changamoto –Hamai	30	8	22	Namelock - Kiteto
31	Nguvukazi	30	11	19	Kipelesa - Kiteto
32	Mapambano-Matui	30	8	22	Matui - Kiteto
33	Ngipa group	30	17	13	Ngipa - engusero
34	Juhudi-Chapakazi	30	12	18	Chapakazi - kiteto
35	Jiamini-Mdunku	30	10	20	Engusero - kiteto
36	Hiyari-Orkine	30	15	15	Orkine kiteto
37	Umojakazi ngumu	36	14	22	Namelock – Kiteto3

4.11 CHALLENGES

In the course of the implementation of works, TARURA had experienced a number of challenges that hampered the smooth implementation of the planned activities. **Table 4.8** below illustrates how TARURA addressed the challenges during the year.

Table 4.8: Challenges and Measures Taken

S/N	Challenge	Measures taken
1	Heavy rains were experienced throughout from March – May 2018. This caused massive destruction of TARURAs’ infrastructure. An assessment of the destruction was carried-out in June 2018 and established a total of TZS 158 billion was required to reinstate the damaged structures.	The Government was informed on the situation for consideration and mobilization of funds. Regional Coordinators were instructed to review approved plans for 2018/19 with the view to take into account the damaged infrastructures.
2	Limited capacity of the Agency due to shortage of staff. The current staffing level is far below organizational requirement - especially for engineers and technicians.	Request the Government for recruitment of new staff.
3	The budget allocation is far below compared to the actual needs.	TARURA continued to appeal to the Government to adjust the budget to match with the actual requirements.
4	Insufficient supervision vehicles.	In 2018/19 budget TARURA has allocated TZS 2 billion for purchase of supervision vehicles.

4.12 AUDITORS' OPINION ON FINANCIAL STATEMENTS OF TARURA

The Controller and Auditor General performed the audit for the FY 2017/18 TARURA Financial Statements.

One of main findings of the audit was significant amount for retention monies, liquidated damages and borrowed monies which were still retained in LGAs accounts as indicated below:

- (i) TZS 3.03 billion retention money out of TZS 8.9 billion were refunded to TARURA Councils accounts;
- (ii) TZS 72.4 million liquidated damages money out of TZS 336.6 million were refunded to TARURA Councils accounts; and
- (iii) TZS 223.2 million borrowed funds out of TZS 1.03 billion were refunded to TARURA Councils accounts.

In TZS

	Funds	Audited Funds	Refunded	Balance to be Refunded	% Refund
1	Retention Money	8,941,229,881.8	3,032,598,119.5	5,908,631,762.3	33.9
2	Liquidated Damages	336,551,627.1	72,398,989.3	264,152,637.8	21.5
3	Borrowed Funds	1,025,244,783.1	223,219,257.0	802,025,526.1	21.7
	Total	10,303,026,292.0	3,328,216,365.8	6,974,809,926.1	32.0

TARURA obtained unqualified opinion as shown below. The Audited Statements are presented in **Annex 6(d)**.

2.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Accounting Officer,
Tanzania Rural and Urban Roads Agency,
P. O. Box 11042,
DODOMA.

Report on the audit of Tanzania Rural and Urban Roads Agency's financial statements for the financial year ended 30th June, 2018

Unqualified Opinion

I have audited the accompanying financial statements of TARURA, which comprise of the Statement of Financial Position as at 30th June, 2018, Statement of Financial Performance, Statement of Changes in Net Assets/ Equity, Cash Flow Statement and the Statement of Comparison of Budget and Actual Amounts for the year then ended, as well as the Notes to the Financial Statements, including a Summary of Significant Accounting Policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of TARURA as at June 2018, its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and in the manner required by the Public Finance Act, 2001 (Revised 2004).

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under these standards are further described in the Auditor's Responsibilities on the Audit of the financial statements section of my report. I am independent of TARURA 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.

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 audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 (Revised 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 (Amendment) Act, 2016

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, TARURA procurement transactions and processes have generally not complied with the requirements of the Public Procurement (Amendment) Act, 2016 and its underlying Regulations of 2013 (Amended 2016). The following non-compliances were noted during audit:

1 Weaknesses Noted on the Evaluation of Tenders

- (i) In five Councils I noted irregularities on evaluation process which include failure to notify bidders on correction of arithmetical errors and awarding contract to bidders with expired business licenses. Inadequate evaluation process has resulted into awarding contracts to ineligible contractors.
- (ii) I also noted three cases in three Councils whereby the lowest bidders were disqualified based on the reasons which did not amount to material deviations. As a result, TARURA incurred additional costs of TZS 138,876,320 for awarding the tender to ineligible bidder due to uneven application of evaluation criteria.

2. Procurements not in Annual Procurement Plan TZS 4,014,672,640.14

I noted three contracts implemented in Bukoba MC and Ilala JAC but not in the procurement plan contrary to Reg, (69)(1) of PPR, 2013. which requires a procuring entity to forecast its requirements for goods, services and works as accurately as is practicable with particular reference to services or activities already programmed in the annual work plan and included in the annual estimates.

3. Delays In settlement of contractor's claims TZS 1,500,936,470

There were long outstanding claims of contractors beyond maturity date of TZS 1,500,936,470 for a period ranging from one to three years, Delays in settlement of contractors claims may cause TARURA to pay interests contrary to Clause 51.1 of the PPR's standardised bid documents which requires employer to pay the Contractor the amounts certified by the Project Manager within 28 days from the date of receiving the certified payment certificate,

4. Un-recovered advance payments of TZS 81,496, 220

Clause 66 of General Condition to Contract (GCC) requires. the Guarantee to remain effective until the advance payment has been repaid. Contrary to the above cited clause, TARURA paid advance payments of TZS 97,225,216.65 to contractors in three Councils however, up to the time of the audit in September 2018, TZS 81,496,219.80 was yet to be recovered and the guarantee (performance security) were already expired.

5. Irregularities noted on contract variations

Reg. 110(3) of Public Procurement (Amendment) Regulation, 2016 requires the proposed variations such as additions or deductions which are not incidental to or arising out of the contract, and which alter the scope, extent or intention of the contract to be referred to the appropriate tender board for approval before instructions are issued to the tenderer. Contrary to the foregoing requirement, I found the following:

- (i) Additional payments of TZS 199,589,111.93 were paid to contractors in three councils as a result of additional works which were not approved by Tender Board.
- (ii) I noted one case whereby some items of the Bill of Quantity (BOQ) for contract No.LGA/116/2016/2017/W/02 Lot (I) implemented by TARURA Singida DC were overpaid by TZS 47,432,000 without evidence of variations and approval by Tender Board.
- (iii) I also noted three cases whereby TARURA offices instructed contractors to perform variations amounting to TZS1,892,739,627 before approval by tender board

6. Liquidated damage not deducted TZS 179,756,307

Examination of contract files noted cases where construction works were not completed within the agreed time despite time extension provided to contractors. However, TARURA did not charge liquidated damage of TZS 179, 556,307 contrary to Reg. 112 (1) of Public Procurement (Amendment) Regulation,2016 which requires a procurement entity to impose a liquidated damage for delayed works.



31 March 2019

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PART FIVE PERFORMANCE OF TANROADS

5.0 INTRODUCTION

In accordance with Section 4 (4) of the Roads and Fuel Tolls Act, CAP 220, TANROADS receives 63% of the total Roads Fund budget allocation. TANROADS and the Roads Fund Board do sign Annual Performance Agreement prior to disbursement of funds.

This part presents physical and financial status of TANROADS implementation of Annual Performance Agreement on works related to trunk and regional roads projects funded by the Roads Fund in the FY 2017/18.

5.1 MAINTENANCE BUDGET

During the period under review, TANROADS was budgeted TZS 573.1 billion. The breakdown of the budget is shown in Table 5.1 below:

Table 5.1: Summary of Road Maintenance Budget for FY 2017/18

Budget Components	Amount (TZS Billion)	%
Trunk Roads	164.2	28.7
Regional Road	280.1	48.9
Emergency Works	11.4	2.0
PMMR Projects Phase Two	7.7	1.3
Weighbridge Maintenance & Improvements	28.9	5.0
HQ Based Activities	10.3	1.8
Total Woks Component	502.7	87.7
Non - Works Components		
Administration Costs	24.4	4.3
Supervision Costs	24.9	4.3
Weighbridge Operation Costs	21.1	3.7
Total Non- works	70.3	12.3
Total Roads Fund	573.1	100

Source: TANROADS & RFB

5.2 ROAD NETWORK

TANROADS maintains the national road network which by 30th June 2018 was 36,258 km - comprising of 12,176 km of trunk roads and 24,082 km of regional roads and its status of pavement is as analyzed in Table 5.2 below.

Table 5.2: Roads Lengths June, 2018

Road Type		Length (km)	Total length (km)
Trunk	Paved	8,264	12,176
	Unpaved	3,912	
Regional	Paved	1,687	24,082
	Unpaved	22,395	
			36,258

Source: TANROADS

5.3 THE ROAD NETWORK CONDITION

The overall road network condition as assessed using RMMS procedure in June, 2018 was as follows: 85% in good/fair condition and 15% in poor condition. Table 5.3 and 5.4 compare national road condition between June, 2017 and June, 2018.

Table 5.3: Road Network Condition Summary as of June 2018

Road Class	Good		Fair		Poor		Total	
	(km)	%	(km)	%	(km)	%	(km)	%
Regional paved	754	50	314	21	449	30	1,516	100
Regional unpaved	5,237	25	12,790	60	3,119	15	21,146	100
Trunk paved	5,771	72	1,248	16	971	12	7,989	100
Trunk unpaved	665	26	1,513	59	380	15	2,528	100
Total Roads Network	12,427	37	15,864	48	4,919	15	33,210	100

Table 5.4: Road Network Condition Summary as of June 2017

Road Class	Good		Fair		Poor		Total	
	(km)	%	(km)	%	(km)	%	(km)	%
Regional Paved	636	53	320	27	248	21	1,203	100
Regional Unpaved	5,399	27	11,578	58	2,883	15	19,860	100
Trunk Paved	5,455	79	918	13	494	7	6,866	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

Figure 5.1: Trend of Road Network Condition



As compared to the FY 2016/17 and FY 2017/18, there was a slight deterioration of roads from good and fair to poor condition. The deterioration was partly due to heavy rains which were experienced throughout from March – May 2018. This caused destruction of roads – particularly the gravel roads.

Note:

- (i) The road length survey covered only 31,893.6 km; and
- (ii) The length of about 3,106.4 km was not surveyed due to ongoing works.

5.4 PHYSICAL AND FINANCIAL PERFORMANCE

Up to 30th June 2018, a total of TZS 489.1 billion, equivalent to 85.4% of the total annual budget was received by TANROADS and was spent accordingly.

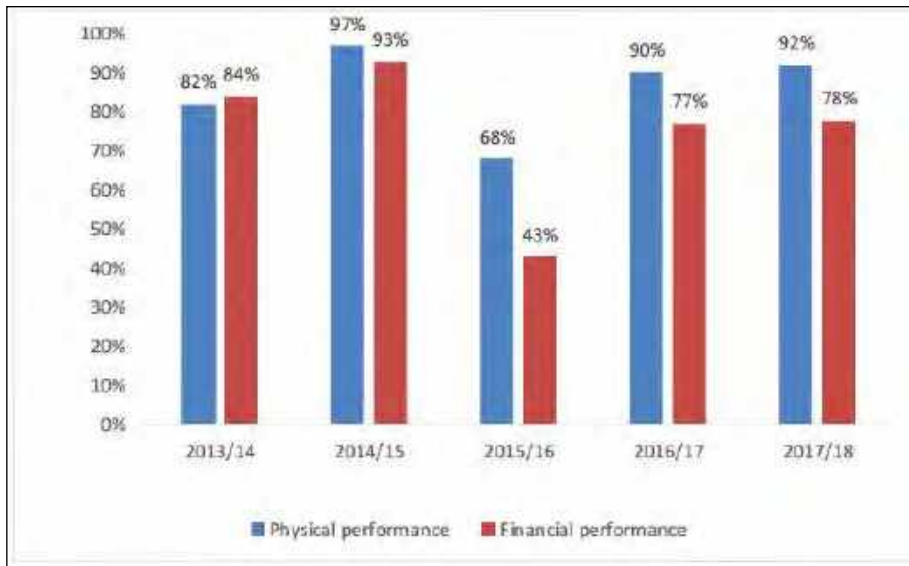
The total expenditure for trunk roads was TZS 128.3 billion against TZS 161.9 billion, which is 79%, while the physical performance achievement was 95%. Expenditure for Regional roads was TZS 219.2 billion compared to the annual plan of TZS 282.3 billion which is 78% and its physical performance recorded 90% against annual targets. The detail of the annual performance is shown in **Table 5.5** below.

Table 5.5: Performance of Physical Works FY 2017/18 Programme

Activity	Unit	Physical			Financial (TZS Billion)		
		Annual Plan	Cumm. Actual	% Actual	Annual Plan	Actual	% Actual
Routine & Rec. - P	km	7,823.6	7,558.7	97%	38.5	32.5	84%
Routine & Rec. - Up	km	3,190.8	2,970.1	93%	14.7	11.6	79%
Periodic mtce - P	km	395.8	386.7	98%	74.2	60.3	81%
Periodic mtce - Up	km	624.41	533.0	85%	17.3	12.1	70%
Spot Impr - P	km	21.25	23.4	110%	3.2	3.1	97%
Spot Impr.t - Up	km	96.79	101.3	105%	1.5	1.1	73%
Sub-total	km	12,152.73	11,573.2	95%	149.3	120.7	81%
Bridges Preventive	Nos.	1,284	1,244.2	97%	2.3	1.4	61%
Bridges repairs	Nos.	106	89.5	84%	10.3	6.2	60%
Sub-total bridges		1,390	1,333.7	96%	12.6	7.6	60%
Overall Percentage				95%	161.9	128.3	79%
REGIONAL ROADS PERFORMANCE							
Routine & Rec. - P	km	1,331.2	1,268.0	95%	8.1	6.8	84%
Routine & Rec. - Up	km	18,821.6	17,287.7	92%	76.0	64.1	84%
Periodic mtce - P	km	138.8	113.9	82%	55.2	36.5	66%
Periodic mtce - Up	km	4,072.3	3,799.6	93%	92.0	75.9	82%
Spot Impr - P	km	43.4	42.0	97%	2.8	1.3	46%
Spot Impr.t - Up	km	869.7	805.2	93%	14.7	11.5	78%
Sub-total	km	25,277.1	23,316.4	92%	248.9	196.1	79%
Bridges Preventive	Nos.	1,293.7	1,154.1	89%	3.300	2.500	76%
Bridges repairs	Nos.	215.3	191	89%	30.200	21.600	72%
Sub-total bridges		1,509	1,345.3	89%	33.5	24.1	72%
Overall Percentage				90%	282.4	220.2	78%
GRAND TOTAL FOR RRM	Km	31,167.3	29,084.6				
GRAND TOTAL FOR PM & SI	Km	6,262.4	5,805.0	92%	444.3	348.5	78%
	Bridges	2,899	2,679				

Up to 30th June 2018, the physical and financial performance was 92% and 78% respectively. The financial performance was satisfactory as indicated in the above table. **Figure 5.2** below shows the trend of physical and financial performance of TANROADS overtime.

Figure 5.2: TANROADS Physical and Financial Performance



Source: TANROADS & RFB

5.5 EMERGENCY WORKS

During the year under review 17 regions had cases of emergency/urgent works caused by heavy rains from November 2017. The rains caused damages to roads and bridges which led to closure of some roads or impassability for some time. The Regions submitted requests for emergency funds which amounted to TZS 11.4 billion. TANROADS continued with execution of emergency works as per laid down procedures to ensure the roads were opened and passable.

5.6 PERFORMANCE-BASED MANAGEMENT AND MAINTENANCE OF ROADS

The procurement of a consultant to design Phase II of Performance-Based Management and Maintenance of Roads (PMMR - Phase II) was concluded in August 2016. The implementation of the project was in progress. The consultant has finalised the selection, grouping and packaging of 3000 km candidate roads from 10 regions.

Due to financial constraints, it was concluded that the PMMR Phase II be implemented in nine regions to roads with good condition only which do not require initial rehabilitation.

In view of the above, the Consultant re-submitted a list of roads with good condition as shown in Table 5.6 below.

Table 5.6: List of Roads Selected under PMMR Phase II

	Region	Road Name	Road No.	Road Type	Total Km per Road	Total Maintenance Cost/Year (TZS Billion)	Duration (Years)	Total Maintenance Cost (TZS)
(i)	Arusha	Namanga - Darajan	T002	Paved	30.00	0.59	5	2.95
(ii)	Coast	Chalinze - Ngerengere	T001	Paved	35.69	0.85	5	4.25
(iii)	Geuita	Mugusu - Ibanda (Geita/Mwanza Brd	T004	Paved	49.35	0.92	5	4.59
		Nyankumbu - Nyang'wale	R163	Unpaved	54.43	0.36	3	1.08
(iv)	Kagera	Mutukula - Izigo	T004	Paved	116.86	2.14	5	10.72
(v)	Katavi	Kawajense(Mpanda) - Mnyamasi Jct	R564	Unpaved	65.60	0.47	3	1.40
(vi)	Mwanza	Ibanda - Dutwa	T004	Paved	117.82	2.20	5	11.00
(vii)	Rukwa	Mkutano- Sumbawanga	T004	Paved	117.66	2.70	5	13.49
(viii)	Simiyu	Nyashimo - Dutwa	R348	Unpaved	48.08	0.32	3	0.96
(ix)	Tanga	Segera - Tanga	T013	Paved	71.25	1.54	5	7.70
Total					706.74	12.08		58.13
25% Overhead cost						3.02		14.53
Total cost						15.11		72.66

5.7 VEHICLE AXLE LOAD CONTROL

The vehicle load control is a routine exercise undertaken by TANROADS to control vehicle overloading along the trunk and regional roads networks. Both fixed and portable weighbridges are used in the exercise. In the FY 2017/18 the Vehicle Load Control Programme comprised the following:

- (i) Operations of weighing vehicles at 46 permanent stations and 22 mobile sites;
- (ii) Repair and improvement of weighbridges; and
- (iii) Attending workshops related to projects under East Africa Cooperation in connection with Vehicle Load Control.

During the period under review, a total of 4,433,089 vehicles were weighed throughout the country. Out of the weighed vehicles, 1,390,305 vehicles (equivalent to 30.54% of weighed vehicles) were found to be overloaded. Of the overloaded vehicles only 50,090 (equivalent to 1.13%) were found to be over loaded beyond the allowable 5% overload and were charged accordingly.

5.8 ABNORMAL LOAD PERMIT

During the period under review, the Ministry and regions issued abnormal permit to transporters, whereby, a total of TZS 301.7 million was collected as abnormal permit fees.

5.9 FUTURE PLAN ON WEIGHBRIDGES MANAGEMENT

During the period under review seven new weighbridge projects were at different stages of implementation. Description of the projects is presented below.

(i) Construction of Kurasini Weighbridge Station

The purpose of the construction is to conduct verification of compliance on loading limit on trucks before rolling in to the paved roads. This will save off-loading time in case of over-load. It will also protect part of the road from damages before the first Weighbridge in Vigwaza. The set completion date for the construction was 3rd November 2018. The works contract physical progress stood at 45% as of 30th June 2018.

(ii) Dakawa Magereza Weighbridge Station

The weighbridge station was planned for traffic along Morogoro – Dodoma road. The project included supply and installation of two brand new weighbridge scales and Weigh-in-Motion facility together with the installation of Weighbridge CCTV Management System. The station expected to replace the heavily traffic congested Kihonda weighbridge.

Works for the project commenced on 23rd August, 2017 and the physical progress by 30th June, 2018 was 39%. The completion date was set on 24th October, 2018.

(iii) Design, supply and installation of Weighbridge CCTV Management System

The purpose of the project was to establish weighbridge CCTV Management Systems at 13 weighbridge stations⁵. During the year under review, the required equipment and instrument were installed at TANROADS HQ, Vigwaza weighbridge, Regional Manager's Office Kibaha, Roads Fund Board Office and MoWTC in Dodoma.

(iv) Construction and installation of Weigh-in-Motion at Nala, Njuki, Wenda and Mpemba Weighbridge Stations

The works contract was signed on 21st July 2017 with a completion date set on 22nd October, 2018. By the end of FY 2017/18, the physical progress had reached 24%.

(v) Develop and Installation of a Software Solution

To improve control and efficiency in collection of overloading and other related charges, TANROADS was developing a solution for charging, collecting and transferring of overloading fees and other related charges from the Weighbridge Stations to the dedicated bank account. During the year under review, the development of the module was completed and integration with all weighbridge software vendors was carried out. By the end of FY 2017/18, the overall physical progress was 76%.

(vi) Design of Kimokouwa (Namanga) Weighbridge station

During the year under review, the Evaluation of Request for Proposal (RFP) for the project was prepared and approved.

(vii) Design of Rubana Weighbridge station

The evaluation of the submitted tenders of the consulting firms was completed and shortlisted, waiting for the approval by the end of the financial year.

5.10 ROAD RESERVE MANAGEMENT

Activities to protect the road reserve against encroachers were carried by Regions. These included marking of illegal structures, installing marker posts; awareness campaigns and demolition of unlawfully erected structures. Cumulatively, a total of TZS 821.7 million has been spent in road reserve management by the end of June, 2018.

5.11 ROAD MAINTENANCE MANAGEMENT SYSTEM

The TANROADS Road Maintenance Management System RMMS 5.4 was equipped with a Database for storing network data; and modules for the estimation of annual budget needs for routine, periodic and spot improvement and prioritising the needs under budgetary constraints.

Up to the end of June, 2018, the following RMMS activities were carried out:

- i) Production and distribution of GIS maps of different themes as requested by users;
- ii) Supervision of unpaved roads condition survey 2nd cycle in the regions;
- iii) Quality Assurance of data collection and data entry;
- iv) Assistance to regions on application of the RMMS;

⁵Vigwaza (2), Mikese (2), Nala (1), Njuki (1), Himo (2), Mikumi (1), Mpemba (1), Mingoyo (1), Mutukula (1) and Nyakahura (1)

- v) System testing for bugs fixing/ improvements;
- vi) Carrying out Condition Survey for paved roads (ROMDAS);
- vii) Carried out calibration, service and maintenance of the FWD equipment as well as training on the FWD analysis software;
- viii) Procurement of Supplier for supply of automatic traffic count machines is ongoing;
- ix) Procurement of technical and maintenance support from *Road Measurement Data Acquisition System (ROMDAS)* and supply of ROMDAS gadgets is ongoing;
- x) Provision of various network data within TANROADS and to external stake holders as requested.

Other activities performed during the fiscal year 2017/18 included:

- i) Carrying out traffic counts and spot inventory surveys;
- ii) Procurement of consultant for maintenance, repair and calibration of falling weight deflectometer (FWD) machine - finalised;
- iii) Procurement of Consultant for Feasibility study to upgrade RMMS into a fully integrated web based Road Management System (RMS) - ongoing;
- iv) Compilation, merging and Quality Assurance of the regional Databases into a central database;
- v) Workshop/Task force for harmonisation of maintenance budget analysis using RMMS; and
- vi) Workshop for calibration of regional data collection survey teams.

5.12 BRIDGE MANAGEMENT SYSTEM (BMS)

TANROADS is operating the BMS as a tool for keeping bridge data, planning and for implementation of bridge programmes.

The following activities were implemented in the year:

- i) Carrying out bridge condition inspection and compilation of the reports;
- ii) Procuring 30 tablets for bridge data entry at site; and
- iii) Maintenance and operations of the Bridge Inspection Crane Lorry.

The total expenditure up to the end of FY 2017/18 was TZS 509.2 million.

5.13 MAINTENANCE CHALLENGES FOR NATIONAL ROADS

During the year under review, TANROADS faced several challenges during the implementation of road maintenance projects. The challenges and mitigation measures taken are summarized in the table below.

Table 5.7: Challenges and Mitigation Measures Taken

	Challenge	Mitigation
(i)	Limited Capacities of Local Contractors: <ul style="list-style-type: none"> • Inadequacy of specialized equipment to carry paved road works, • Limited capacities in contracts management; and • Limited operating capital. 	<ul style="list-style-type: none"> • Improve packaging of contracts for local contractors; • Guaranteeing payment to suppliers for material or loaned/hired equipment; • Conduct on-job training to contractors executing works through instructions, site meetings and site inspections; and • Implement specific projects for local Contractors capacity building.
(ii)	Limited capacities in contracts management	<ul style="list-style-type: none"> • Continuous training in project or contracts management and procurement.
(iii)	Limited overload control. Currently control are concentrated on trunk roads leaving. Roads in regions without weighbridges are prone to damage due to overloaded vehicles.	<ul style="list-style-type: none"> • Installation of new weighbridges
(iv)	Damage to Road Furniture/Structures	<ul style="list-style-type: none"> • Regular maintenance and road safety programmes • Use of less attractive materials such as concrete elements and plastic material • Awareness campaigns
(v)	Speeding	<ul style="list-style-type: none"> • Construction of appropriate road humps; • Installation and replacement of damaged/vandalized speed limit signs; • Awareness campaigns; and • Recovery of costs from vehicle owners.

5.13.1 Expansion of Road Network

There has been a reclassification of about 5,259 km roads from district roads to national roads since 2009. These roads require maintenance and rehabilitation depending on its road condition. On other hand, there were no matching funds specifically allocated to these roads. Therefore, their maintenance or rehabilitation was and is still being undertaken using the available funds. In this regards improvement of these roads will take some years as funds become available for maintenance and rehabilitation.

5.13.2 Roads Reserve Management

Road reserve encroachment was observed on some of the roads. Temporary and permanent structures were erected illegally. A number of cases challenging the road reserve clearance exercise were in court.

TANROADS continued to address the problem through efforts such as:

- Erecting end of road reserve marker post;
- Marking 'X' on illegal structures and issuing relevant notices; and
- Handling of court cases.

The installation of road reserve marker posts was carried out on newly upgraded roads and in areas that were unoccupied.

The Road Act 2007 has increased the dimensions for width of the road reserve corridor from 45 m to 60 m. Removal of those in the corridor was done gradually during projects implementation, which involved compensation. Sometimes challenges were made through courts to object evacuation, which delayed the project.

5.14 AUDITORS' OPINION ON FINANCIAL STATEMENTS

The Controller and Auditor General performed the audit for the FY 2017/18 TANROADS Financial Statements. TANROADS obtained unqualified opinion as presented below. The Audited Statements are presented in Annex 6(e).

2.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

To: **Chief Executive,**
Tanzania National Roads Agency,
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DAR ES SALAAM.

Report on the audit of financial statements. for the financial year ended 30 June 2018

Unqualified Opinion

I have audited the accompanying Financial Statements of TANROADS, which comprise the Statement of Financial Position as at 30 June 2018 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 33 to 63.

In my opinion, the accompanying Financial Statements present Fairly in all material respects, the Financial Position of TANROADS as at 30th June, 2018, 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

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, Section 10 (2) of the Public Audit Act No. 11 of 2008 requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement (amendment) Act 2016 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 (amendment) Act 2016

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 (amendment) Act 2016 and its underlying (amendments) of 2016.

Prof. Mussa Juma Assad
CONTROLLER AND AUDITOR GENERAL

31 March 2019

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PART SIX

ANALYSIS OF TECHNICAL AUDIT REPORTS AND MONITORING

6.0 INTRODUCTION

Pursuant to section 5 (4)(b) of the Road and Fuel Tolls Act CAP 220, the Board is mandated to ensure that money deposited in the Fund are applied for the purpose approved by the Parliament. Also section 5 (4) (i), mandates the Board to monitor the Fund disbursed to Road Agencies for the purpose of meeting the objectives of the Fund.

The RFB appointed independent consultants to conduct preventive technical audit in the FY 2017/18 to evaluate roads maintenance projects funded by the Roads Fund and Development Partners. The purpose of the audit was to assess quality and completeness of executed works in order to ensure Value for Money (VfM).

6.1 PREVENTIVE TECHNICAL AUDIT REPORT

During the reporting period, the preventive technical audit was conducted in ten regions in Tanzania Mainland.

The results from the audit reports suggest that the implementing agencies performance has improved by about 3% from 67.2% in the FY 2016/17 to 70.2% in the FY 2017/18.

Better performance was observed in the procurement stage while moderate performance was observed in project planning, design and tender documentation, project completion and closure, executed works and construction stage.

6.1.1 Stage-wise Evaluation of Implementing Agencies' Performance

6.1.1.1 Planning, Designing and Tender Documentation

TANROADS' performance in planning, design and tender documentation dropped by 3.9% from 78.4% in the FY 2016/17 to 74.5% in the FY 2017/18.

TARURA's performance in planning, design and tender documentation areas dropped by 5.3% from 65.6% in the FY 2016/17 to 60.3% in the FY 2017/18 as shown in **Figure 6.1** below.

Figure 6.1: Project Planning, Design and Tender Documentation



Source: Roads Fund Board, 2018

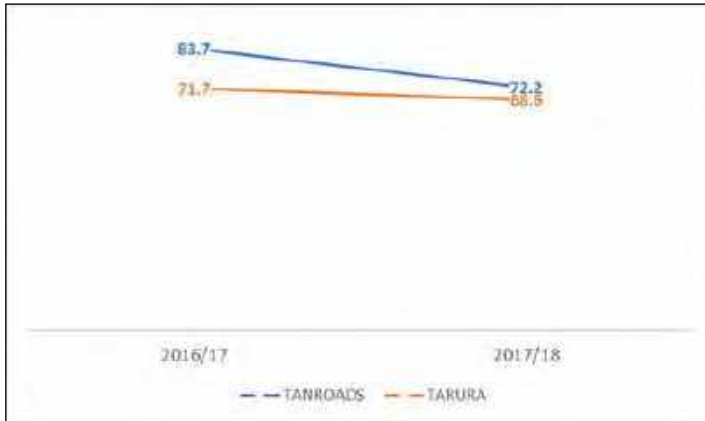
The parameters with low performance include: compliance of project planning with requirements of PPAs, and accuracy, appropriateness and completeness of technical specifications, design calculation and technical drawings; BoQs; engineers' estimates and tender documentations.

6.1.2 Procurement Stage

TANROADS performance in this stage has dropped by 11.5% from 83.7% in the FY 2016/17 to 72.2% in the FY 2017/18.

TARURA performance in this stage dropped by 3.1% from 71.7% in the FY 2016/17 to 68.6% in the FY 2017/18.

Figure 6.2: Procurement Stage



Source: Roads Fund Board, 2018

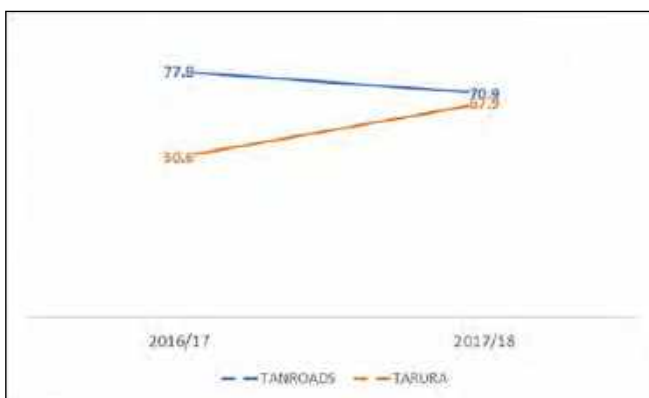
Other parameters with low performance include: compliance of procurement process with PPA 2011; evaluation process and award of contract; competitiveness of rates quoted for major items of construction; and overall competitiveness of most economic tender compared with market price.

6.1.3 Construction Stage

TANROADS' performance in this stage has dropped by 6.9% from 77.8% in the FY 2016/17 to 70.9% in the FY 2017/18. However, on average the performance in this stage was good at about 74.4% for both observed years. Meanwhile, TARURA performance in the stage has improved by 17.3% from 50.6% in the FY 2016/17 to 67.9% in the FY 2017/18. On average, the performance at the construction stage was satisfactory at about 59.3% for both observed years.

Figure 6.3 summarises the performance trend of roads agencies at the stage of construction during the handling roads construction projects in their mandated areas in the FY 2016/17 and the FY 2017/18.

Figure 6.3: Construction Stage



Source: Roads Fund Board, 2018

TARURA has improved its performance in area of timeliness of site possession; quality and adherence to project programmes; quality of supervising engineer's site staff; and quality and adherence to quality assurance program as well as quality of EMPs.

However, there were deficiencies in some areas including quality of contractor's site organization and staff; management of contractual documents including surety and insurance bonds; and quality and management of project documentation. TANROADS performance dropped in all parameters in the construction stage except for the assessment of validity of variations, claims and cost overruns.

6.1.4 Project Completion and Closure Stage

Both TANROADS and TARURA did not fare well in the stage of project completion and closure for the FY 2017/18 compared to the FY 2016/17. It shows that TANROADS' performance in project completion and closure decreased by 9.3% from 75.3% in the FY 2016/17 to 66% in the FY 2017/18. Meanwhile, TARURA performance in this stage had improved by 31.9% from 41.2% in the FY 2016/17 to 73.1% in the FY 2017/18.

Figure 6.4 summarizes the performance trend of road agencies in the stage of project completion and closure for the FY 2016/17 and the FY 2017/18

Figure 6.4: Project Completion and Closure Stage



Source: Roads Fund Board, 2018

6.1.5 Executed Works

TANROADS' performance in this stage has slightly improved by 0.2% from 72.7% percent in the FY 2016/17 to 72.9% in the FY 2017/18. On average, the performance in this stage has been good at about 72.8% for both observed years. On the other side, TARURA' performance in this stage has improved by 20.4% from 55.1% in the FY 2016/17 to 75.5% in the FY 2017/18. On average, the performance in this stage has been moderate at 65.3 percent for both observed years.

Figure 6.5 shows the performance trend of road agencies at the stage of assessment of executed works during the handling of road construction projects in their mandated areas in the FY 2016/17 and the FY 2017/18.

Figure 6.5: Executed Works



Source: Roads Fund Board, 2018

6.1.6 Overall Performance

TANROADS and TARURA performance have improved by about 3% from 67.2% in the FY 2016/17 to 70.2% in the FY 2017/18. The improvements of performance was observed in the construction; project completion and closure stage; and executed works while there was a decline of performance in project planning, design and tender documentation and procurement stage.

Table 6.1: Overall Performance of Implementing Agencies

S/N	Stages	2016/17	2017/18	Average	Trend
1	Project Planning, Design and Tender Documentation	72	67.4	69.7	↓
2	Procurement	77.7	70.4	74.1	↓
3	Construction	64.2	69.4	66.8	↑
4	Project Completion and Closure	58.2	69.5	63.9	↑
5	Executed Works	63.9	74.2	69	↑
	Overall Performance	67.2	70.2	68.7	↑
	Growth Rate in %	4.4			+

Source: Roads Fund Board, 201

6.1.7 Good and Unsatisfactory Performers

There was overall performance improvement of some regions and councils in managing road projects for both TANROADS and TARURA for the FY 2017/18 compared to the FY 2016/17. However, some councils did not perform to the minimum acceptable range.

TANROADS regional offices which were good performers are Lindi, Dar es Salaam, Mbeya, Mwanza, and Manyara. There were no bad performers in the FY 2017/18. Details of individual good performance are as shown in **Table 6.2** below.

Table 6.2: TANROADS Good Performers

	2016/17		2017/18	
	Region	Score (%)	Region	Score (%)
(i)	Simiyu	97.6	Lindi	87.8
(ii)	Lindi	95.0	Dar es Salaam	86.6
(iii)	Ruvuma	88.9	Mbeya	80.6
(iv)	Geita	88.7	Mwanza	73.1
(v)	Dar es Salaam	86.8	Manyara	73.1

Source: Road Fund Board, 2018

TARURA Councils which were good performers are Dodoma CC, Mbeya CC, Mwanza CC, Lindi MC, Kinondoni MC, Ilemela MC, Liwale DC, Nachingwea DC, Lindi DC, Ruangwa DC, Mvomero DC, Busokelo DC, Kongwa DC, Kilwa DC, Ludewa DC and Ukerewe DC.

Details of individual good performance are as shown in **Tables 6.3 to 6.6** below.

Table 6.3: TARURA – City Council Good Performers

	2016/17		2017/18	
	City Council	Score (%)	City Council	Score (%)
(i)	Mwanza CC	63	Dodoma CC	79.2
(ii)	–	–	Mbeya CC	77.3
(iii)	–	–	Mwanza CC	77

Source: Road Fund Board, 2018

Table 6.4: TARURA - Municipal Council Good Performers

	2016/17		2017/18	
	Municipal Council	Score (%)	Municipal Council	Score (%)
(i)	Musoma MC	83.2	Lindi MC	93.8
(ii)	Lindi MC	79.3	Kinondoni MC	71.7
(iii)	Mpanda MC	76	Ilemela MC	71

Source: Road Fund Board, 2018

Table 6.5: TARURA - Town Council Good Performers

	2016/17		2017/18	
	Town Council	Score (%)	Town Council	Score (%)
(i)	Tarime TC	92.9	Geita TC	75.7
(ii)	Kahama TC	82.9	Babati TC	72.6

Source: Road Fund Board, 2018

Table 6.6: TARURA - District Council Good Performers

	2016/17		2017/18	
	District Council	Score (%)	District Council	Score (%)
(i)	Lindi DC	88	Liwale DC	95.8
(ii)	Mpimbwe DCC	87.4	Nachingwea	95.8
(iii)	Nachingwea DC	87.3	Lindi DC	95.6
(iv)	Tarime DC	87	Ruangwa DC	91.1
(v)	Ruangwa DC	85.4	Mvomero DC	85.8
(vi)	Busega DC	85.2	Busokelo DC	85.4
(vii)	Bagamoyo DC	84.7	Kongwa DC	83.2
(viii)	Kilwa DC	83.7	Kilwa DC	81.5
(ix)	Itilima DC	83.2	Ludewa DC	80.3
(x)	Rorya DC	80.8	Ukerewe DC	78.2

Source: Road Fund Board, 2018

TARURA Council offices with unsatisfactory performance are Mbozi DC, Songwe DC, Ileje DC, Momba DC and Kibiti DC. Details of individual unsatisfactory performance are as shown in **Tables 6.7** and **6.8** below:

Table 6.7: TARURA - Town Council Poor Performers

	2016/17		2017/18	
	Town Council	Score (%)	Town Council	Score (%)
(i)	Handeni TC	24.7	Tunduma TC	36.5
(ii)	Korogwe TC	35.2	–	–
(iii)	Kasulu TC	46	–	–
(iv)	Mafinga TC	48.8	–	–

Source: Road Fund Board, 2018

Table 6.8: TARURA - District Council Poor Performers

	2016/17		2017/18	
	District Council	Score (%)	District Council	Score (%)
(i)	Busokelo DC	15.9	Mbozi DC	30.4
(ii)	Mbeya DC & Mbozi DC	24.6	Songwe DC	37.3
(iii)	Ulanga DC	33.3	Ileje DC	44.7
(iv)	Kilombero DC	33.7	Momba DC	46.2
(v)	Pangani DC & Chunya DC	37.6	Kibiti DC	48.5
(vi)	Kilosa DC	37.9	–	–
(vii)	Muheza DC	38.2	–	–
(viii)	Handeni DC	39.4	–	–
(ix)	Misungwi DC	40.6	–	–
(x)	Ileje DC	41.3	–	–

Source: Road Fund Board, 2018

The FY 2017/18 marked the establishment of TARURA. The Agency like any other new established entity, has encountered a number of challenges including the ones summarised in **Table 6.9** below.

Table 6.9: TARURA Challenges and Measures

S/N	Challenges	Measures taken to address
(i)	Shortage of staff	The current staffing level is far below the actual requirement; especially for engineers and technicians. TARURA continues to appeal to the Government to allocate funds for employment of Staff from these cadres – including on contract basis.
(ii)	The budget allocation is far below compared to the actual needs.	TARURA continues to appeal to the Government that the budget be adjusted in line with the actual requirements.
(iii)	Insufficient supervision vehicles. Currently, there are six Councils ⁶ and two Regions ⁷ with no supervision vehicles at all. In most cases, they rely on hiring motorbikes to attend site works.	In the FY 2018/19 budget TARURA has allocated a total of TZS 2 billion for purchasing supervision vehicles.
(iv)	Transfer allowances to staff. All Staff transferred to TARURA from LGAs, other Ministries and Agencies have not been paid their transfer entitlement to-date. The total requirement is TZS 1,712,471,300.	TARURA continue to make follow-up on the transfer

6.2 IN-HOUSE MONITORING OF UTILISATION OF ROADS FUND

6.2.1 Introduction

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

6.2.2 Implemented Monitoring Activities

Four monitoring visits were conducted in the FY 2017/18. These included normal monitoring visit in 12 councils⁸ and TANROADS Dar es Salaam, Kilimanjaro, Tanga and Morogoro Regional offices. Also, it took into account the assessment of pothole patching works, country-wide verification of emergency works, verification and follow-up of recommendations by technical auditors in Tabora, Simiyu, Kagera, Njombe, Iringa, Coast, Morogoro, Kilimanjaro and Tanga.

The main issues which were observed during the monitoring and directives to the Implementing Agencies are summarized in **Table 6.10** below.

⁶Rungwe DC, Njombe TC, Kasulu DC, Mvomero DC, Bunda TC and Bagamoyo DC.)

⁷Songwe Region and Mara

⁸Kinondoni, Ilala, Rombo, Handeni, Lushoto, Same, Nkasi, Ludewa, Morogoro, Mvomero, Kilombero, Gairo

Table 6.10: Main issues observed and Directives

	ISSUE OBSERVED	IMPACT	BOARD'S DIRECTIVES
(i)	Encroachment of road construction corridors.	<ul style="list-style-type: none"> Delays in implementation of projects. Increased construction costs. 	Ensure construction corridors are cleared before hand-over of sites to contractors.
(ii)	Potholes not fully attended within the specified time as stipulated in the Annual Performance Agreement.	<ul style="list-style-type: none"> Further deterioration of roads and loss of road asset value. Road accidents. Increased vehicle operating costs. 	Ensure potholes are attended within the specified period.
(iii)	Shortage of office space for the TARURA Regional Coordinators and Council Manager's.	<ul style="list-style-type: none"> Impaired day-to-day operations of TARURA. Use of funds for payment of rents 	TARURA and PORALG ensure regional and council level offices are accommodated in government buildings.
(iv)	Shortage of supervision vehicles.	Impaired day-to-day operations of TARURA.	PORALG and TARURA to set aside funds for procurement of vehicles.
(v)	Leaking water pipes along carriage way.	Contributed to frequent occurrence of potholes and rapidly deterioration of the roads especially in urban areas.	Engage with Water and Sewerage Authorities to address the problem to safeguard pavement life.
(vi)	Detailed engineering design and hydrological study were not undertaken for some new constructed roads and bridges/and or box culverts.	Premature pavement failures and wash-out of bridges during rainy season.	Carry out detailed engineering design before construction of bridges and roads.
(vii)	Inadequate road safety facilities (road signs and zebra crossing) in some of the roads.	Endangered safety of road users.	Provide sufficient road signs.
(viii)	Insufficient provision of drainage systems in some of roads.	Premature failure of road pavement and structures.	Provide adequate drainage systems.
(ix)	Limited capacity in contract management for some TARURA staff.	<ul style="list-style-type: none"> Loss of public funds. Poor implementation of road projects. 	TARURA to ensure staff are capacitated in contract management.
(x)	Inadequate supervision of maintenance works by Road Agencies.	Substandard works and loss of public funds.	Ensure adequate supervision of works to achieve value for money for implemented works.

Annex 1: Trunk Roads Projects and Activities funded by Roads Fund in FY 2017/18

S/N	PROJECT NAME	ANNUAL PLAN	ACHIEVEMENT	REMARKS
1	Consultancy Service for Feasibility Study and Detailed Design of Kyaka – Bugene – Kasulo/Benako (124 Km)	Completion of RAP Report	100%	Completed
2	Review and Preparation of Standards and Specifications	To finalize the assignment by submission of the Final Bridge Specification. Completion of RAP report	100%	The activity has been planned to be carried out in the FY 2018/19 The RAP report was submitted as planned
3	Feasibility Study and Detailed Design for Handeni-Kiberashi- Kijungu – Kibaya – Njoro – Oboloti – Mrijo Chini – Dalai – Bicha – Chambalo – Chemba – Kwa Mtoro – Singida road (461 Km)	Completion to Final payment	100%	Completed
4	Consultancy Service for Feasibility Study and Detailed Design of Musoma-Makocho-Busekela road (92 Km)	Completion of Compensation	100%	Completed
5	Compensation of TAZARA Flyover and Ubungo Interchange	Completion of RAP report	100%	Completed
6	Consultancy Service for Feasibility Study and Detailed Design of Kolandoto – Lalago – Mwanhuzi – Mwanhuzi – Mataala - Oldeari Junction road (328 Km)	Completion to Draft Feasibility Report	10%	Feasibility Study and Preliminary Design ongoing
7	Consultancy Service for Feasibility Study and Detailed Design of Karatu – Mbulu – Haydom – Sibiti River – Lalago – Maswa road (389 Km)	Completion to Draft Feasibility Report	15%	Draft Feasibility Study Report was submitted as planned
8	Consultancy Services for Feasibility Study and Detailed Design of Isonje – Kikondo – Makete road (96.2km)	Completion of the guidelines Report	40%	Ongoing
9	Materials through introduction of modern technology performance based appropriate asphalt mix design guideline and improvement of CML infrastructure and other facilities	No. of Projects monitored and vehicle maintained.	Monitoring has been conducted in 26 Regions namely: Morogoro, Iringa, Dodoma, Manyara, Dar es Salaam, Coast, Tanga, Kilimanjaro, Arusha, Singida, Simiyu, Shinyanga, Mara Njombe, Mbeya, Songwe, Rukwa, Lindi, Mtwara, Ruvuma, Mwanza, Kagera, Geita, Katavi, Tabora and Kigoma	On-going
10	Monitoring of Roads and Bridge Projects, Maintenance of Supervision Vehicles, fuel and Other Roads Related activities (MoWTC)	Completion to Final Design report	50%	Final Detailed Design Report and Tender Documents were submitted as planned, The report is under review and processing of extension of time is in progress.
11	Consultancy Service for Feasibility Study and Detailed Design of Nyamirembe Port-Katoke road (50 Km)	Completion to Inception Report		Procurement of Consultant that will carry out detailed engineering design and preparation of tender documents is ongoing
12	Consultancy Service for Feasibility Study and Detailed Design of Escape for Long Steep Grades and Climbing Lanes along Major Trunk Roads	Training of TANROADS Staff		The purchase of the software was done and training to 13 staff of TANROADS was conducted
13	Computer Software for Design of Road Projects and Highway/Transportation Planning	Completion of the Draft Feasibility report		Draft Final Detailed Design Engineering Report was not submitted as planned, Delay is due to geotechnical investigation which is ongoing.
14	Feasibility Study, Detailed Engineering Design and Preparation of Tender Documents for Construction of Kigongo/ Busisi Bridge (3200m) along Usagara – Geita road	Completion to Final Feasibility Report	45%	Draft Final Feasibility Study Report was submitted, reviewed and approved
15	Feasibility Study and Detailed Design of Tarime – Mugumu road (86 km)	Completion to Inception Report		Under Vetting Stage
16	Feasibility Study and Detailed Design of Mpanda – Ugalla – Kaliua – Ulyankulu – Kahama road (457 km)	Completion to Inception Report		Review of the design of the Uyole - Songwe Bypass has been included in the Igawa - Songwe - Tunduma road project to be implemented by IDA financing. Procurement process is ongoing
17	Feasibility Study, Detailed Engineering Design and Preparation of Tender Documents for Construction of Uyole – Mbalizi Bypass road (40 km)	Completion to Inception Report		

18	Capacity Building in Construction Industry (Including Harmonisation of Activities being Carried out by MWTI and ATTI)	Completion to Accreditation of Institute of Construction Technology (CoIT)		Bench Marking trip to South Africa was carried out. Four officials from the Ministry travelled to College of Cape town for bench marking trip and submitted a report which will be incorporated in the concept note.
19	Project on Advancing & Managing Tanzania's Transportation System and Inter-modal Linkages	Completion to Inception Report		The project has been differed for further review
20	Consultancy Service for Feasibility Study and Detailed Design of Ipole – Rungwa (km 172)	Completion to Final Design Report	75%	Ongoing. Consultant received the Comments for Draft Detailed Engineering Report and Tender Documents
21	Feasibility Study, Detailed Engineering Design and Preparation of Tender Documents for Same – Kiswani – Mkomazi Road (96.7km)	Completion to Final Design Report		Inception report is ongoing. Contract signed on 29 th May, 2018
22	Feasibility Study, Detailed Engineering Design and Preparation of Tender Documents for Tegeta – Bagamoyo road (43.2 Km)	Completion to revised design Report	100%	Completed
23	Feasibility Study, Detailed Engineering Design and Preparation of Tender Documents for Makofia – Mlandizi road (36.7 Km)	Completion to Final Design Report and Resettlement of Affected Properties (RAP)	100%	Completed
24	Feasibility Study, Detailed Engineering Design and Preparation of Tender Documents for Mbegani – Bagamoyo road (7 Km)	Completion to Final Design Report and RAP	100%	Completed
25	Consultancy Services for Feasibility Study, Environmental & Social Impact Assessment, Detailed Engineering Design and Preparation of Tender Documents for Omugakorongo – Kigarama – Murongo road (111 Km)	Completion to Final Design Report and RAP	40%	Final Detailed Design Report and Tender Documents was submitted as planned, The report is under review
26	Feasibility Study, Detailed Engineering Design and Preparation of Tender Documents for Mtwaru Pachani – Lusewa – Lingsenguse - Nalasi road (211 km)	Completion to Final Feasibility Report	15%	Inception report was submitted and under review
27	Consultancy Services for Feasibility Study and Detailed Design of Kibondo – Mabamba road (45 Km)	Completion to Final Design Report and RAP		Consultant received the comments on the Final Detailed Engineering Report and Tender Document and incorporation of these comments in progress.
28	Advance Payments and Land Acquisition for Development Projects	Completion of payments		Ongoing
29	Consultancy Service for Feasibility Study and Detailed Design of Arusha – Kibaya – Kongwa road (430 Km)	Completion to Final Feasibility Report	40%	Draft Final Feasibility study report was submitted
30	Feasibility Study and Detailed Design of Kibada – Tundwisongani/Kimbiji junction – Kimbiji Mwasonga – Kimbiji road (40.4 Km)	Completion to Final Design Report	40%	Draft Final Feasibility study report was submitted
31	Feasibility Study and Detailed Design of Chekeni Mwasonga – Kimbiji/Tundwisongani junction (8 Km)	Completion of the Final Design Report	40%	Draft Final Feasibility study report was submitted
32	Consultancy Service for Feasibility Study and Detailed Design of Nanganga – Ruangwa – Nachingwea road (100 Km)	Completion of the Final Design Report	70%	Draft Final Design Report was submitted
33	Construction of Mlakuwa Bridge	Construction of Bridge completed	80%	Works in progress under RM - Dar es Salaam
34	Facilitation and Supervision of Road Projects (TANROADS)	Supervision of projects		Ongoing
35	Feasibility Study and Detailed Design and Preparation of Tender Documents for Improvement of the Kitonga Escarpment road section (1.6 Km)	Completion to draft final design report		Under Vetting Stage
Decongestion of Dodoma Capital City				
36	Feasibility Study and Detailed Design and Preparation of Tender Documents for Upgrading of Shabby – Arusha road Roundabout (Dodoma) – 1.6 Km 6.5 Km	Completion to Final Design Report		Under Vetting Stage
37	Feasibility Study and Detailed Design and Preparation of Tender Documents for Upgrading of Chinwaga – Chinyoya – Kikuyu road (6.5 Km)	Completion to Final Design Report		Under Vetting Stage
38	Feasibility Study and Detailed Design and Preparation of Tender Documents for Upgrading of Dar es Salaam road (Nanemane) – Miyuji (Arusha road) – Mkonze (23 Km)	Completion to Final Design Report		Under Vetting Stage

39	Feasibility Study and Detailed Design and Preparation of Tender Documents for Upgrading of Emmaus – Mhimwa – Wajenzi road (5 Km)	Completion to Final Design Report	Under Vetting Stage
40	Feasibility Study and Detailed Design and Preparation of Tender Documents for Upgrading of Dodoma Outer Ring road or Dodoma Bypass (Bahi – Mzakwe – Naweye – Hombolo – Kikombo – Mvumi – Ntyuka – Mkonze – Nala – 104 Km)	Completion to Final Design Report	Draft Detailed Engineering Report and Tender Documents were submitted
41	Detailed Design of Ngaresh – Enguik (Monduli Juu) road	Completion to Final Design Report	Under Vetting Stage
42	Feasibility Study and Detailed Design of Kitengule Bridge	Completion to Final Design Report	Draft Final Design Report and Tender Documents were submitted

Projects comprising Feasibility study and Detailed Design Phases

Inception Report

Draft Final Feasibility Study Report

Final Feasibility Study Report

Draft Final Design Report

FDR = Final Design Report (Incl RAP)

Progress report

Annex 2: Regional Roads Projects and Activities Funded through the Roads Fund Budget in FY 2017/18

Project Description	Km)/No of Bridges	STATUS ON ACHIEVEMENT OF PHYSICAL TARGETS				STATUS ON ACHIEVEMENT OF FINANCIAL TARGETS				REMARKS
		Planned	Actual Progress	Cumulative Accomplished	Estimated % Completed	Annual Budget	Cumulative Released	Actual Expenditure	Cumulative % Spent	
ARUSHA										
Rehab. Longido – Kitumbeine – Lengai (Kitumbeine – Oldonyolegai)	7.91	1.9	0	0	0%	141	120.36	0	0%	Under procurement
Rehab. KIA – Majengo along KIA – Mererani road	4.62	1	0	0	0%	88	75.12	0	0%	Funds are to be reallocated for Kijenge – Usa River
Tengeru jct – Cairo road	4.62	1.6	0	0	0%	88	75.12	22	0%	Completed
Construction of Box culvert along Nelson Mandela – AIST	1	0.25	0	0	0%	88	75.12	0	0%	FS and DD are on Progress
Upgrading of DSD Kijenge – USA river	1	0	0	0	0%	236	201.46	201.46	85%	On going
COAST										
Rehab Kisarawe - Masaki - Msanga - Chole road	5.9	1	1	2.5	42%	133	113.53	40.14	30%	Ongoing
Rehab Kiparang'anda - Nyamalle - Kibululu rd	3.5	1	0	0.1	3%	71	60.61	12.23	17%	Ongoing
Rehab. Makofia-Mlandizi-Maneromango (Mlandizi – Maneromango section-36km)	7.1	2	1	2.2	31%	141	120.36	20.65	15%	Ongoing
Upgrading of TAMCO - Vikawe - Mapinga road (21.9km)	0.2	0	0	0.2	100%	80	68.29	60.1	75%	Ongoing
Rehab. Ikwiriri-Mloka-Vikumburu (Vikumburu-Mtanza Junction)	4.7	1	0	0	0%	101	86.22	0	0%	Works in Progress
Rehabilitation of Utete - Nyamwage road (32km)	8.3	2	1.5	2	24%	172	146.83	0	0%	Ongoing
Upgrading to DSD Bagamoyo Township Roads	1.7	0	0	0	0%	300	256.09	0	0%	Works in Progress
DAR ES SALAAM										
Rehab. Of Uhuru Road (1km)	0.9	0	0.1	0.1	11%	221	188.66	146.09	66%	Works in Progress
Upgrading Chanika - Mbande Road (Otta seal) 29.6km	2.84	0	0.1	0.2	7%	706	602.67	362.13	51%	Works in Progress
Upgrading to DSD Feri - Tungi Kibada road	0.9	0	0.5	0.5	56%	265	226.22	162.24	61%	Works in Progress
Upgrading of Boko - Mbweni road to DSD -6.9km	0.9	0	0	0.9	100%	265	226.22	76.64	29%	Works in Progress
DODOMA										
Rehab. Izava – Dosidosi road (15km)	8.5	2	0.4	0.4	5%	177	151.09	15.2	9%	Works in Progress
Upgrading of Mbande-Kongwa Junction-Mpwapwa(50km) to Paved standard	0.9	0	0	0	0%	547	466.94	547	100%	completed
Start Construction of Gulwe Bridge along Mpwapwa-Gulwe-Kibakwe-Chipogoro Road	1	0.25	0	0	0%	194	376.46	376.46	194%	completed
Construction of Baura Bridge and its approaches	1	0.25	0	0	0%	441	165.61	0	0%	awaiting approval for signing from CE
Rehab. Gubali-Haubi	8.5	2	1	1	12%	177	151.09	57.49	32%	Works in Progress
Rehab. Hogoro-Jct-Kibaya	2.4	0	1.43	1.43	0%	52	44.39	13.46	26%	Works in Progress
GEITA										
Rehab. Chibingo – Bukondo road	7	1.49	2	5	1	88	75.12	67.12	76%	Works in Progress
Rehab. of Geita – Nkome Mchangani	4	1	0	0	0	88	226.22	180.3	205%	Completed
Rehab. of Geita – Nyarugusu – Bukoli	4	1.33	2	4	1	88	75.12	61.45	70%	Completed
Upgrading to DSD Mkuyuni road	1	0	0.6	0.8	0	300	256.09	215.87	72%	Works in Progress
Upgrading Muganza – Kasenda	0.5	0	0	0	0	88	75.12	0	0%	Works in Progress
Rehab. Kibehe – Kikumbaitale	4	1	0	0	0	88	75.12	0	0%	Works in Progress
Upgrading to DSD of Geita township roads	1	0	0.3	0.8	1	265	75.12	79.53	30%	Works in Progress
Rehab. Bwina road	2	1	2	2	0	80	75.12	57.12	71%	Completed
Ludeba bridge along Munekezi – Ludeba – Masonga road (km 14).	1 No	0.25	0	0	0	88	68.29	68.29	78%	Works in Progress
Rehab. Itare – Katende road	2	0	1.2	2.2	1	63	53.78	53	84%	Completed
Rehab. Ipalamasa – Mbogwe – Masumbwe	11	2.62	1	1	0	255	217.68	217.68	85%	Works in Progress
Rehab. Chato – Rubambagwe	10	2.5	1.2	1.2	0	220	187.8	187.8	85%	Works in Progress
IRINGA										
Rehab. Nyololo – Igowole – Kibao – Mtwango – Mgololo	5	1	4	5	100%	88	75.12	75.12	85%	Completed

Rehab. Nyololo – Igowole – Kibao – Mtwango – Mgololo	5	1	4	5	100%	88	75.12	75.12	85%	Completed
DSD Iringa – Msembe (Kalenga jct – Ipamba Hospital)	0.75	0	0.13	0.13	0%	220	187.8	160.41	73%	Works Progress in
Rehab. Nyololo – Kibao	7.1	1	5	5	70%	132	112.68	92.32	70%	Works Progress in
Rehab. Itula – Kilolo	11.62	2.8	10	10	86%	221	188.66	119.2	54%	Works Progress in
KAGERA										
Rehab. Kajai Swamp(1.5km) along Katoma – Bukwali road	4.8	0	1	2	42%	175	149.39	40.31	23%	Works Progress in
Rehab. Muhutwe – Kamachumu – Muleba	1.1	0	0.5	0.7	64%	336	286.82	18.89	6%	Works Progress in
Rehab. Bugene – Kaisho – Murongo (Rwabununka Escarpment)	0.8	0	0.6	0.8	100%	264	225.36	171.6	65%	Completed
Upgrading to DSD of Muleba – Kanyambogo – Rubya road	1.6	0	0.5	0.5	31%	517	441.33	100.47	19%	Works Progress in
FS & DD of Kitengule Bridge	1No	25.00%	20.00%	0.22	0%	100	85.36	25	25%	Works Progress in
Rehab. Nyakahanga – Nyabiyonza Nyakakika	4	0	2.2	4	100%	150	128.05	105.4	70%	Completed
KATAVI										
Rehab. Mamba – Kasansa	4	0	2	4	100%	85	77.07	17.48	21%	Completed
Rehab. Mpanda – Ugalla road	4	1	4	5	125%	85	76.07	68.5	81%	Completed
Rehab. Mnyamasi – Ugalla	2.3	1.3	1	2	25%	51	49.24	41.32	81%	Works Progress in
Rehab. Inyonga – Majimoto	8	2	2	4	50%	170	149.73	124	73%	Works Progress in
Rehab. Kibaoni – Majimoto – Kasanza	4	1	1	2	50%	85	78.22	78.12	92%	Works Progress in
Rehab. Kibo – Mwese Road	8	2	4	5	63%	170	151.13	149.53	88%	Works Progress in
Rehab. Inyonga – Ihunde	5.7	0	3	6	105%	100	89.9	91.89	92%	completed
Rehab. Kagwira – Karema	4.5	1	2.5	3.5	78%	100	91.2	97.41	97%	Works Progress in
KIGOMA										
Construction of three Bridges along Simbo – Ilagala – Kalya	100%	10%	20%	20%	0%	345	294.51	107.49	31%	Works Progress in
Rehab. Kakonko – Nyaronga – Ngara Border	11.9	2.9	0	5	42%	208	177.56	135	65%	Works Progress in
DD of Lwegele bridge along Simbo – Ilagala – Kalya road	1 No	25%	0	0	0%	130	110.97	83.45	64%	Bridge design works completed
Opening of Simbo – Kalya road	2.79	0	0	0	0%	50	42.68	10.78	22%	Works Progress in
KILIMANJARO										
Upgrading of Kikweni – Vuchama /Lomwe	1.8	0	0	0	0%	1050	896.33	0	0%	Under Mobilization
Rehab. Mwembe – Myamba – Ndungu	7.4	0	0	2	27%	133	113.53	0	0%	Works Progress in
Upgrading of Masama – Machame Jct	1.1	1.4	0	0	0%	310	264.63	0	0%	Works Progress in
Upgrading to DSD Same – Kisiwani – Mkomazi	0.2	0	0	0	0%	88	75.12	0	0%	Works Progress in
Upgrading of Makanya – Stuji road to DSD	1.7	0	0	0	0%	600	512.19	0	0%	Works Progress in
Rehab. Mandaka – Kilema Hospital Road	10.8	2.8	2	2	19%	205	175	0	0%	Works Progress in
LINDI										
Rehab. Nanjilnji – Kiranjeranje – Namichiga	5.2	2	3	3	0%	86	73.41	136.25	158%	Under Mobilization
Rehab. Nangurukuru – Liwale road	5.9	0	0	0	0%	103	87.93	0	0%	Under Mobilization
Rehab. Nachingwea – Lukuledi road	5.2	1.2	0	0	0%	88	75.12	0	0%	Under Mobilization
Upgrading to DSD Ruangwa township roads	2	0	0	0	0%	600	512.19	107.19	18%	The work is completed but not yet paid in full
DD Lukuledi bridge along Luchelengwa – Ndanda road	1 No	10%	9%	34%	34%	51	44.39	44.39	87%	The Contractor is on site and the works on going
MANYARA										
Construction of Babati – Orkesumet/Kibaya (new access road)	13.2	3	8	9.2	70%	265	226.22	87.53	33%	Works Progress in
Rehab. Kibaya – Kibereshi road	5	1	0	0	0%	106	90.49	25.3	24%	Works Progress in
Rehab. Nangwa – Gisambang – Kondoza Border.	7.5	1	4.2	7.5	100%	155	132.31	18.5	12%	Works Progress in
Rehab. Mogitu – Haydom	8.2	2.2	5.7	8.2	100%	159	135.73	154.2	97%	Works Progress in

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Rehab. Magara Escarpment (concrete pavement) along Mbuyu wa Mjerumani - Mbulu	0.7	0	0	0	0%	260	221.95	62.54	24%	Works Progress	in
MARA											
Rehab. Musoma – Makojo Road	7.3	1.3	3.5	7	96%	132	112.68	66.5	50%	Works Progress	in
Rehab. Balili – Mgeta – Manchimweli – Rimwani Road	7.3	2	2	4	55%	132	112.68	150.73	114%	Works Progress	in
Upgrading to DSD Nyamuswa – Bunda – Kisorya – Nansio road (Nansio – Kisorya sect.)	0.5	0	0	0	0%	158	134.88	0	0%	Works Progress	in
Upgrading to DSD Mika – Utegi – Shirati Road	0.9	0	0.15	0.3	34%	200	170.73	143.75	72%	Works Progress	in
Upgrading to DSD Tarime – Nyamwaga road (Tarime – Nyamwigura Sect.)	1.3	1.3	0.1	0.2	15%	397	338.9	255.23	64%	Works Progress	in
Rehab. Makutano ya Kinesi – Kinesi	2.6	0	1	1	38%	52	44.39	0	0%	Works Progress	in
Rehab. Nyamwigura – Gwitiryo	3.3	0	2.7	3.1	94%	327	279.14	185.87	57%	Works Progress	in
MBEYA											
Rehab. Mbalizi – Shigamba – Isongole (Ibada – Shigamba)	6.9	1	2	2	29%	108	92.19	0	0%	Works Progress	in
Upgrading to DSD Igawa – Rujewa – Ubaruku	0.5	0	0	0	0%	400	341.46	0	0%	Mobilization	
Upgrading of Mbalizi – Makongorosi (Mbalizi – Utengule 8km)	0.5	0	0	0	0%	300	256.09	0	0%	Under procurement,	
Rehab. Ilongo – Usangu Road	8.3	1	0.9	1.4	17%	138	117.8	78.21	57%	Ongoing	
Rehab. of Access Road to MUST	1	0	0	0	0%	100	85.36	0	0%	Under Mobilization	
MOROGORO											
Rehab. Mahenge – Mwaya – Ilonga Road	3.8	0	0	0	0%	88	75.12	14.68	17%	Works Progress	in
Upgrading "Mlima Simba hills" along Mahenge – Mwaya – Ilonga Road	0.6	0	0.6	0.6	100%	176	150.24	21.4	12%	Completed	
Rehab. Ifakara – Taweta – Madeke including crossing of Mgeta River for Mchombe/Lukolongo – Ijia	17.4	4	3	3	17%	390	332.92	50	13%	Works Progress	in
Rehab. Gairo – Nongwe	7.6	2	1.5	1.5	20%	176	150.24	20.36	12%	Works Progress	in
Upgrading of Mahenge Township Roads	1.4	0	0	0	0%	350	298.78	53.2	15%	Works Progress	in
MTWARA											
Upgrading to DSD Newala Township Roads	1.6	0	0.8	0.8	50%	441	376.46	63.65	14%	Works Progress	in
Rehab. Tandahimba – Litehu Mkwiti Road	7.8	0	2	6	77%	132	112.68	24.4	18%	Works Progress	in
Construction of Likwamba Bridge	1No	10.00%	25.00%	1	0%	176	150.24	146.4	83%	Works Progress	in
Upgrading to DSD Kinorombedo Escarpment along Mkwiti (Kinorombedo) - Kitangali - Newala	0.6	0	0.2	0.45	0.75	132	112.68	22.03	17%	Works Progress	in
MWANZA											
Rehab. Kayenze – Nyanguge Road	2.3	0	0.8	2.3	100%	52	44.39	12.3	24%	Works Progress	in
Rehab. Kabanga Ferry – Mugogo – Nyakabanga	3.5	0	1.7	3.5	100%	70	59.76	40.4	58%	Completed	
FS & DD Magu – Bukwimba Ngudu – Hungumaiwa	5.8	1.8	0	0	0%	124	105.85	21.4	17%	Works Progress	in
Rehab. Lumeji – Nyashana	2.9	0	1.5	3	103%	62	52.93	62	100%	Works Progress	in
Construction of Sukuma (Simiyu II) bridge along Magu – Mahaha road	1No	0.05	0	0	0%	316	269.75	0	0%	Deferred to next financial year	
Rehab. Inonelwa – Kawekamo	3.5	3.5	3.5	3.5	100%	70	59.76	10.32	15%	Completed	
Rehab. Mwamhaya – Itongoitale	2.9	0	1.9	2.9	100%	62	52.93	0	0%	Completed	
Rehab. Nyambiti – Fulo Road	3.5	0	2.5	3.5	100%	70	59.76	0	0%	Completed	
Rehab. Sengerema – Kahunda (Nyeheunge – Kahunda)	4.1	0	2	4.1	100%	88	75.12	88	100%	Completed	
Rehab. Mwanagwa – Misasi – Buhingo – Ihelele	3.5	0	1.7	3.5	100%	70	59.76	70	100%	Completed	
Purchase of motor grader for Ukerewe roads	1	0	0	0	0%	88	75.12	0	0%	Funds allocated to finalize outstanding payment	
Rehab. Sabasaba - Buswele road	7.3	1.3	0	0	0%	158	134.88	0	0%	Funds reallocated to Nyakato-Buswele road	
Mwanza Airport Road	2	0	0	0	0%	1000	853.64	0	0%	Ongoing	
NJOMBE											
Rehab. Ndulamo – Nkenja – Kitulo – Mfumbi	7.2	1.2	0	3.4	47%	158	134.88	0	0%	Substantially completed	
Rehab. Njombe – Ndulamo – Makete	8.5	2	4.25	8.5	100%	170	145.12	0	0%	Substantially completed	

Rehab. Kibena – Lupembe – Mfuji (Moro/Iringa Border) 125.2km	4.2	0	0.54	2.04	49%	86	73.41	0	0%	Ongoing
Rehab. Njombe – Iyayi Road	4.2	2.2	4	4	95%	87	74.27	22.6	26%	Ongoing
Rehab of Ikonda – Lupila – Mlangali (Lupila – Mlangali)	8.5	2	0	0	0%	175	149.39	0	0%	Under Mobilization
Upgrading to DSD Ludewa township roads	1.1	0	0.2	0.4	36%	300	256.09	34.6	12%	Ongoing
Upgrading to DSD Igwachanya township roads	1.1	0	0.05	0.05	5%	260	221.95	49.1	19%	Ongoing
Rehab. Igwachanya (Chalowe) - Usuka - Kanamalenga - Ikingula (Mang'elenge)	4.2	2.2	1.25	1.25	30%	85	72.56	30.7	36%	Ongoing
RUKWA										
Rehab. Ntendo – Muze (Kizungu hill) Section to DSD	0.6	0	0.1	0.2	33%	170	145.12	58.89	35%	Ongoing
Rehab. Kasansa – Muze Road along Kasansa - Kamsamba road	8.4	2	2	5	60%	171	145.97	130.02	76%	Ongoing
Rehab. Mianga lua – Kipeta Road (Mianga lua – Chombe)	8.4	3	2.4	2.4	29%	175	149.39	144.5	83%	Ongoing
Rehab. Lyazumbi – Kabwe	6	2	2	2	33%	131	111.83	80.96	62%	Works Progress in
Rehab. Kalambanzite – Ilemba Road	8.4	2.4	0.2	0.2	2%	175	149.39	48.19	28%	Ongoing
Rehab. Katongoro - Kipili (Kipili - Kipili New Port section - 4.5km)	6	1.8	1.8	1.8	30%	130	110.97	0	0%	Works Progress in
Upgrading to DSD of Kizwite - Mkima	0.8	0	0.1	0.5	63%	400	341.46	345.69	86%	Works on going
RUVUMA										
Rehab. Azimio – Lukumbule – Tulingane (Lukumbule – Tulingane)	2.9	0.15	0.15	2.49	85%	61	52.07	52.52	86%	On going
Rehab. Lilondo Quarry Plants.	2.4	1.34	1.34	1.93	82%	51	43.54	26.16	51%	On going
Opening up Londo – Kilosa - Kwa Mpepo Road (Lumecha – Kitanda - Londo Section)	4.1	2	2.05	3.49	85%	87	74.27	48.29	56%	On going
Rehab. Chamani – Matuta – Mango – Kihagara Road	4.1	0.5	0.5	1.53	37%	87	74.27	70.05	81%	On going
Upgrading to DSD Kilimo Mseto – Makambi Road	0.6	0.32	0.32	0.47	80%	87	74.27	67.38	77%	On going
Upgrading to Otta seal Hilly section along Mtware Pachani – Mkongo – Sasawala – Nalasi	0.9	0.52	0.52	0.74	85%	86	73.41	0	0%	On going
Design and start construction of Fundi Mbanga bridge along Tabora – Fundi Mbanga Road	1No	0.00%	0.00%	0.25	0%	152	129.75	0	0%	On going
Rehab. Kitai – Lituhi Road	22.3	7	7	12.57	56%	370	315.85	0	0%	On going
Rehab. Matimila – Mkongo Road	3.5	2.11	2.11	2.99	85%	70	59.76	0	0%	On going
Rehab. Mpitimbi – Ndongosi – Nambendo Road	3.5	0	0.2	1.08	31%	68	58.05	0	0%	On going
Rehab. Mjimwema – Ngapa – Tundururu/Nachingwea Border	3.5	0	0	0.88	25%	78	66.58	37.17	48%	On going
Upgrading to Otta Seal Unyoni – Kipapa – Chamani – Mkoha (Mawono Escarpment)	0.9	0.1	0.1	0.96	112%	87	74.27	20.5	24%	Completed
Construction of Ruhuhu bridge	1No	30.00%	0.00%	0	0%	90	76.83	12.48	14%	On going
Consultancy Services for CRRP Project (Namumbo – Matepwende (8km); Mletele – Matimila(23.8km) and Namabengo – Mbimbi(11.07km) Roads)	100%	0	0	0	0%	132	112.68	30.34	23%	On going
SHINYANGA										
Rehab. Shinyanga – Old Shinyanga Road	8.7	0	0.2	0.2	2%	170	145.12	0	0%	Works Progress in
Constr. of Vented Drift along . Isagenye – Budekwa – Mwabaratu(21km)	1No	0.1	0.3	0.3	30%	170	145.12	0	0%	Works Progress in
Rehab. Kahama – Bulige – Mwakitolyo – Solwa	5.6	2	0.2	0.2	4%	108	92.19	0	0%	Works Progress in
Rehab. Nyandekwa – Uyogo – Nghwande (Shy/Tbr border)	6.8	2	4.8	4.8	71%	129	110.12	0	0%	Works Progress in
Rehab. Nyandekwa Jct – Butibu Road	6.2	0	6.2	8.2	132%	109	93.05	0	0%	Completed
SONGWE										
Rehab. Galula – Namkukwe	6.8	0	1.6	4.6	68%	110	93.9	96.3	88%	works progress on
Rehab. Igamba – Msangano – Utamballa	2.5	0	0.6	3.6	144%	47	40.12	89.16	190%	Completed
Rehab. of Isongole II – Isoko	2.5	0	0.6	1.6	64%	50	42.68	74.52	149%	works progress on
Upgrading of Zeleleta – Isansa – Itaka	2.5	0	0.6	1.6	64%	50	42.68	45.02	90%	works progress on
Rehab. Hasamba – Nyimbili – Izayala – Itumba	2.5	3	0.6	2.6	104%	50	42.68	27.21	54%	Completed
Rehab. Kafwafwa – Ibungu	4.9	1.9	0.6	2.6	53%	94	80.24	0	0%	works progress on

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Rehab. Igurusi – Utengule – Luhanga Road	1.2	0	0	0	0%	23	19.63	0	0%	works progress on
Raising embankment of Msangano - Tindingoma (6km) section along Igamba - Utambalila	3.1	1.1	0	0	0%	62	52.93	0	0%	works progress on
SIMYU										
Rehab. Luguru – Kadoto – Malya Road	9.6	1	7.25	9.15	96%	172	146.83	133.93	78%	substantially completed
Rehab. Maswa – Kadoto – Shishiyu – Jija – Maligisu Road	9.6	4	7.45	9.55	100%	172	146.83	159.4	93%	completed
Rehab. Mkoma – Makao road	10.8	3	1.9	3.3	31%	219	186.95	141.56	65%	Works Progress in
Rehab. Ngulyati – Miswaki – Ngasamo road	6.7	2.7	4.6	5	75%	130	110.97	12.47	10%	Works Progress in
SINGIDA										
Rehab. Soweto (Kiomboi) – Kisiriri - Chemchem Road	12.7	3	0	6.81	54%	264	225.36	124.26	47%	Ongoing
Rehab. Mkalama – Mwanzeza – Kidarafa	8.5	2.5	1.44	6.98	82%	176	150.24	137.41	78%	Ongoing
Construction of Msosa Box Culvert and Approach Roads along Iyumbu (Tabora border) – Mungira – Mtunduru – Magereza Road	1No.	0.1	0.2	0.3	0%	209	178.41	42.43	20%	Ongoing
Rehab. Kizaga – Sepuka – Mlandala section	6.05	0	4.8	6	99%	104	88.78	99	95%	substantially completed
Upgrading of Access Road to Kiomboi Hospital	1.7	0	0	1.42	86%	120	102.44	102.44	85%	Ongoing
TABORA										
Reh. Tutuo – Izimbili – Usoke Road	15.1	5	8.5	11.5	76%	365	317.99	82.25	23%	On going
FS & DD for upgrading of Nzega – Itobo – Bukooba	9.3	0	0	0	0%	208	184.62	24	12%	On going
Rehab. Sikonge – Mibono – Kipili Road	10.9	4	2	4	37%	240	213.66	0	0%	Works stopped due to flooding
Rehab. Mambali - Bukene - Itobo Road	5	0	0	6	120%	120	117.68	117.68	98%	Substantially completed 95%
TANGA										
Rehab. Mlalo – Mng'aro road	9.2	0	5.5	5.5	60%	175	149.4	71.11	41%	Works progress in
Rehab. Muheza – Maramba	4.6	2	0	0.5	11%	87	74.27	46.98	54%	Works progress in
Rehab. Mbaramo – Misozwe – Maramba – Kasera Road	4.6	1	0	0	0%	87	74.27	50.42	58%	Works progress in
Rehab. of Magamba – Mlola	0.8	0	0.02	0.12	15%	174	148.53	56.18	32%	Works progress in
Upgrading of Amani – Muheza to DSST	0.8	0	0	0.1	13%	185	148.53	91.52	49%	Works progress in
Rehab. Bumbuli – Dindira – Korogwe Rd	6.6	2	5.5	11	167%	130	110.97	0	0%	Completed
Construction of New Box Culvert (4m x 3m x 2.5m) along Kwaluguru - Kwekivu Jct Road	2No.	0.1	0	0	0%	80	68.29	0	0%	Deferred due to lack of sufficient funds
SUB-TOTAL	730.79km & 14brgs	153.63	219.09	360.81	49%	29,939.00	25,626.57	10,587.25	35%	
Monitoring of Road and Bridge Projects, Maintenance of Supervision Vehicles, Fuel and Other Roads Related Activities (MOW)						1,690	1470.47	1051.67	62%	
Roads Classification Activities						368.14				The amount allocated for NRCC and to be managed by RFB
SPECIFIC ROAD RELATED PROJECTS										
(i) Appropriate Technology Training Institute (ATTI)				0		700	629	610.82	87%	
(ii) Morogoro Works Training Institute (MWTI)				0		750	673.44	674.63	90%	
(iii) Women Participation Unit (WPU)				0		200	180.54	95.21	48%	
(iv) Tanzania Technology Transfer Centre (TANT2 Centre)				0		270	243.87	77.65	29%	
TOTAL	730.8	153.63	219.09	360.81	49%	33,907.14	28,823.89	13,097.22	39%	

Annex 3: Administrative Activities and Financial and Physical Plans and Performance in 2017/2018

	PROJECT NAME /ACTIVITY	ANNUAL PLAN FOR FY 2017/18	ACHIEVEMENT
1	Support to Roads Monitoring and Evaluation Activities, Review of Sectoral Database, Preparations of Ministerial Monitoring and Evaluation Guidelines and Ten Years Road Master Plan (2017/18 – 2019/27)	(i) Conduct four (4) Sessions of Monitoring and Evaluation of development projects as per Ministry's (Works) Action Plan (ii) Acquisition of Motor Vehicle and fuel for monitoring development projects (iii) Co-ordinate Review of Sectoral Database (iv) Collect data, compile, analyze, publish and disseminate 100 copies of Road Sector Statistics Book 2017 (v) Co-ordinate preparations of Ministerial Monitoring and Evaluation Guidelines and Ten (10) Years Roads Master Plan (2017/18 – 2019/27)	(i) 100 copies of Sectoral Statistics Book 2016 were published (ii) Information and data collection for Ministerial Monitoring and Evaluations Guidelines finalized. Preparations of the M&E Guidelines document has planned to commence in the first quarter of FY 2018/19. (iii) The Ministry (Works) participated in the Annual Joint Transport Sector Review (11th JTSR 2017) meeting held in Dar es Salam at Nyerere International Convention Centre on 5th December, 2017 and two (2) papers related to Performance of the Sector in FY 2016/17 were presented. (iv) Sectoral Economic Survey 2017 document prepared and submitted to the Ministry of Finance and Planning. (v) Compilation of Sectoral Statistics Book 2017 is in progress and expected to publish by August, 2018. (vi) Monitoring and Evaluation of ongoing roads development projects conducted in Morogoro, Iringa, Njombe, Mbeya, Shinyanga, Mwanza, Mara and Kagera regions. (vii) One (1) motor vehicle 4WD Hard Top for monitoring of development projects procured
2	Participation in East African Co-operation Road Network meetings, SADC Road Related meetings, COMESA-EAC-SADC Tripartite Free Trade Area and Sub Saharan Africa Transport Policy (SSATP) meetings	Attend 8 meetings on EAC: 4 meetings on SADC; 1 meeting on COMESA-EAC-SADC Tripartite Free Trade Area; 1 meeting on SSATP; 1 conference and forum on issues related to road sector development, and local and international training on issues related to roads	i. The Ministry participated in three (3) EAC meetings on Retreat of Infrastructure Development for the EAC Heads of State on held in September 2017, November 2017 and February, 2018 at Entebbe and Kampala, Uganda; and (3) EAC meetings on East Africa Trade and Transport Facilitation Project (EATTFP); Ministerial meeting on Transport, Communication and Transport (TCM); Programme for Infrastructure Development in Africa (PIDA) meeting held in and held in June 2018 and May, 2018 at Dare Salaam and Arusha in Tanzania and Nairobi in Kenya respectively. ii. The Ministry participated in three (3) Negotiation Forums on SADC Experts Meeting for Trade in Services held in Johannesburg, South Africa from 18th – 22nd September 2017, 19th – 23rd March, 2018 and 4th – 6th June, 2018.
3	Co-ordination of Works Sector Budget and Action Plan Preparations and Review of Sectoral Policies	(i) Review of Sectoral Plan (ii) Preparations of the Ministry's (Works) Annual Budget and Action Plan; (iii) Review Construction Industry Policy (2003) and prepare Implementation Strategies; and (iv) Preparation of Annual Performance Agreements between the Ministry and Roads Fund Board FY 2018/19	(i) Review of the National Development Plan for FY 2018/19 was conducted on September, 2017. (ii) Two (2) Stakeholders meetings on review of the Construction Industry Policy (2003) and Implementation Strategies were conducted in September, 2017 and December, 2017. (iii) Ministry's Strategic Budget Allocation System (SBAS) for FY 2018/19 prepared and submitted to the Ministry of Finance and Planning. (iv) Ministerial Medium Term Expenditure FY 2018/19 – 2020/21 prepared and submitted to Ministry of Finance and Finance for scrutinisation. (v) Sectoral Annual Plan and Budget Estimates (Vote 98) for FY 2018/19 prepared and tabled to the Parliamentary Infrastructure Committee and approved by the Committee on 28th March, 2018. (vi) Ministry's Annual Plan and Budget Estimates for FY 2018/19 (Vote 98) was prepared and approved by Parliament on 25th April, 2018. (vii) Ministry Annual Action Plan for FY 2018/19 prepared and submitted to MoFP on June, 2018 (viii) Annual Performance Agreement for FY 2018/19 between the Roads Fund Board and Ministry of Works, Transport and Communication (Works) was prepared and signed.

	PROJECT NAME /ACTIVITY	ANNUAL PLAN FOR FY 2017/18	ACHIEVEMENT
4	Preparations of Responses to Audit Queries for Roads Fund Accounts; Preparation of Roads Fund Operational Plan; and Preparation of Roads Fund Progress Reports	(i) Conduct meetings on Audited and Financial Statement Reports for Roads Fund Accounts; (ii) Prepare Roads Fund Operational Plans and submit it to Roads Fund Board for approval; and (iii) Prepare Quarterly, Mid Year and Annual Roads Fund Progress Reports.	(i) Ministry's First, Second, Third and Fourth Quarter Progress Reports for FY 2017/18 were prepared and submitted to the RFB for considerations. (ii) Responses on audit queries for FY 2016/17 raised by CAG Office were in progress.
5	Contribution to Roads Associations and Participation in Roads Transport Professional Bodies Meetings	(i) Payments of Annual fees for the Ministry's to participate in the Annual Roads Convention (ARC); and (ii) Payments of participation fees and to facilitate Ministry's officials to attend PIARC conference	The Ministry participated in Annual Roads Convention held in Dar es Salaam at Nyerere Convention Centre from 16th to 17th November, 2017.
6	Promotion and awareness activities on implementation of roads, bridges and ferries projects	(i) Advertising and publication (Budget Speech); (ii) Prepare and disseminate sector information through Newsletters, Press releases, reports, workshop, brochures and bulletins; and (iii) Acquisition of equipment tools, cameras and other accessories for roads, bridges and ferries for promotion and awareness	<ul style="list-style-type: none"> • Special Programme on development projects implemented by the Ministry for FY 2017/18 was conducted through television on May, 2018 • Cost incurred for advertisement through newspapers and publication of 500 copies of the Ministry's Budget Speech for FY 2018/19 • Two (2) staff attended short course on Digital Video Editing held in Arusha from 12th to 16th March, 2018.
7	Establish Roads Record Management and Files Tracking System	Supply and installation of Information and Communication Technology facilities for Record Management and File Tracking System	Software procured and installation done
8	Institutional Support	(i) Payments for Office Accommodation for the Ministry (Works); and (ii) Acquisition of Office Equipment and Other Related Working Facilities (Photocopiers, Computers, etc)	Payments of Office Accommodation for the Ministry (Works) effected and various office equipment were procured
9	Construction of Ministry's (Works) Headquarters in Dodoma	Construction of Three Storey for Ministry's (Works) Headquarters Building at Dodoma	Fourth floor slab casted with concrete, plastering from ground to 2nd floor completed, first floor fix electrical and plumbing works to second floor completed, grills to windows ground floor completed and walls of connecting bridge completed. Overall construction works performed for Ministry's Building is 55%.

Annex 4: Road Safety and Environmental Activities

	Activity	Annual Plan	Achievement
1	Operatiozation of an Electronic System for issuing Abnormal Load Permit (e-permit), Road Accident Information System and CCTV cameras	Maintenance services for the e-permit system, RAIS and other IT equipment related to the system conducted	Maintenance services for the first term have been done and completed and now the consultant is about to start the maintenance for the second term
2	Installation of slow weigh in motion weighbridge in urban roads and construction of data centre.	Installation of slow weigh in motion weighbridge in urban roads and construction of data centre.	Preparation of TOR completed
3	Purchase and Installation of Pilot surveillance cameras along TANZAM Highway	Installation of prototype surveillance cameras along TANZAM Highway	Design and software development completed and Construction of civil works infrastructure is in progress
4	Compensation of land for establishment of One Stop Inspection Stations (OSIS) along Dar and central corridor	To acquire land at Iboya (Mbozi), Ruahambuyuni (Morogoro) and Manyara stations.	Payment have been transferred to TANROADS for processing payment to PAPs at Ruaha Mbuyuni while at Iboya in mbozi district the comments after verification have been sent to valuer for incorporation before submission of final report.
5	Conduct Road Safety Audit in central zone	To conduct road safety audit in central corridor	Preparation of Terms of Reference was completed and awaiting for Ministerial Tender Board Approval
6	Conduct road safety awareness campaigns	Prepare and participate in Road Safety Week	The Ministry participated in the Road Safety Week held in November, 2017 at Moshi town, Kilimanjaro region.
7	Road Environmental Monitoring and Audit	Conduct Environmental Monitoring and Audit	Environmental Monitoring and Audit conducted in seven regions namely Njombe, Ruvuma, Katavi, Tabora, Kagera, Arusha, Mara, Kigoma and Iringa.
8	Develop Environmental Management System (EIMS) and conduct on job training	To develop Environmental Management System (EIMS) and conduct on job training	Preparation of TOR is in progress
9	Participate in local and International meetings and professional training on road transport safety	To participate local and International meetings on road safety	One (1) staff participated in International meeting
10	Conduct Professional training on road transport safety and axle load control	Participate in professional training on road transport safety and axle road control	One (1) staff to participated in training on road transport safety at Hasset University in Belgium
11	M&E of roads, vehicles and ferries safety, maintenance of supervision vehicles, fuel and other related road safety administrative cost.	Conduct Monitoring and Evaluation of Road and Vehicle Safety	<ul style="list-style-type: none"> •!!!! Monitoring on road safety inspection in Mwanza, Shinyanga, Kilimanjaro, Arusha, Katavi and Rukwa was conducted. •!!!! Monitoring of road safety inspection in Nyakahura, Nangurukuru, Mingoyo, Mikumi, Kihonda, Usagara, Rubana, Sirari and Mwendakulima weighbridge stations conducted.

Annex 5: Implementation Progress of Roads Fund Development Projects in 2017/18

S/N	LGA/Institution	Project	Annual Plan		Progress		Completion rate		Remarks
			Length/No	Amount (TZS)	Length/No	Amount (TZS)		Amount (TZS)	
1	Kasulu TC	Upgrading of Kasulu Town road to DSD	2Km	845,500,000	0	-	Mobilization	7%	Commencement date 18.07.2018
2	Bagamoyo DC	Construction Kitiopeni- Mataya road (gravel standard)	4.5 Km	115,700,000	0.3	-			
3	Chamwino DC	Upgrading of Chamwino Town roads	2 Km	845,500,000	0.5	-		30%	
4	Mafinga TC	Upgrading of Changarawe- Mtanana-Kisada road	15km	356,000,000	12.5	400,000,000		90%	
5	Kondoa TC	Upgrading of Kondoa Town roads to DSD	1.5Km	845,500,000	1.24	405,748,000		50%	
6	Ludewa DC	Upgrading of Ludewa-Ibumi Road	20 Km	445,000,000	9	118,000,000		50%	
7	Mpwapa DC	Construction of Nzugio – Mlolo road	18 Km	422,750,000	8.1	60,374,000		40%	
8	Dodoma MC	Upgrading of Urban roads to Asphalt Concrete	3km	1,945,622,850	1.8	775,647,000		60%	
9	Msalala DC	Construction of Isaka- Jana (gravel standard)	16km	279,015,000	6.4	-		30%	
10	Chato DC	Upgrading of Chato Town Roads to tarmac level	2 Km	845,500,000	0.4	70,000,000		30%	
11	Mbogwe DC	Construction of Busafya-Nyakasaluma-Kanegere Prison road	10 Km	222,500,000	1	189,856,000		95%	
12	Kilolo DC	Upgrading of Ibumu-Ilambo-Mpwapa to gravel standard	26km	400,500,000	0	-	Under procurement		Submitted HQ for review. Bid value exceeded the budget. under rescopeing
13	Kilolo DC	Construction of Makungu- Mlalu road	23km	413,381,824	0	-	Under procurement		Submitted HQ for review. Bid value exceeded the budget. under rescopeing
14	Kibaha TC	Upgrading of Kibaha Town Roads to tarmac level	1.5KM	634,125,000	0.26	159,000,000		26%	
15	Geita DC	Rehabilitation of Nyashinge (Niyikonga River)-Lwamgasa Busanda-Buyangu Road	42Km	747,600,000	5	68,000,000		40%	
16	Iringa DC	Construction of Tosamaganga bridge along Mapogoro-Ugwachanya Road	1No/20m span	890,000,000	0	-	Under procurement of supervisor		Procurement of Design Consultant is at negotiation stage (21st May, 2018)
17	Kondoa DC	Rehabilitation of Mnenia-Itololo-Ikore	15km	267,000,000	0.63	-	Mobilization		
18	Sumbawanga DC	Construction Ulinji-Mawenzusi-Msia road (gravel standard)	17km	453,900,000	6.8	105,000,000		45%	
19	Busekero DC	Construction of Kanyelele-Mpata-Ipembe road	18km	353,436,800	10.2	148,000,000		42%	
20	Moregoro DC	Construction of Ngerengere-Kiganila-Mvua road	20km	222,500,000	15	70,000,000		80%	
21	Rungwe DC	Construction of Kasya – Mpunguti Road	10km	222,500,000	6	73,150,000		60%	
22	Newala TC	Construction of Tukuyu Town Road to DSD	1.5KM	634,125,000	0.1	-	Mobilization		commencement date 2.07.2018
23	Newala TC	Rehabilitation of Newala Town road	6.5km	178,000,000	0.36	-		30%	
24	Ushetu DC	Construction of Bulugwa upper bridges at ushetu	1No	361,775,206	0.5	-		50%	
25	Babati DC	Construction of Vibao vitatu-Kiru six road	4km & 2No Box Culvert	445,000,000	2	101,329,000		30%	
26	Kisarawe DC	Construction of box culvert along Msimbu-Bwama road	2No	267,962,034	2	171,722,425		75%	
27	Mufindi DC	Construction of Nundwe –Ikongosi road	25.6km	410,112,000	12	83,000,000		50%	
28		Construction of Nyololo-Maduna Road	12km	174,440,000	12	162,903,000		100%	

29	Chalinze DC	Constructio of Ruvu- Kidogozelo raod	15.5km	400,500,000	0.5	-	3.2%	Intention to terminate contractor is underway due to poor performance
30	Ukerewe DC	Construction of Kilimabuye Bridge	1No	445,000,000	0.7	263,833,670	70%	
31	Kalambo DC	Construction of bridge at river Kalambo	1No	178,000,000	0	-	Design in progress	Design under Advanced Engineering Solutions IN association with Teknikon Consulting Engineering Ltd (AES) is on progress, Draft feasibility study submitted.
32	Tarime TC	Construction of Tarime Town Roads to DSD	1km	422,750,000	0.1	-	10%	
33	Bukombe DC	Construction of Ushiroombo Town road	20km	356,000,000	16	130,000,000	80%	
34	Nkasi DC	Rehabilitation of Kasumyula road	24km	445,000,000	10	-	55%	
35	Same DC	Construction of Masinga-Chome –Ikokoia road	11.26km	712,000,000	0	-	Mobilization	Contract awarded 19th June 2018, Delayed procurement due to rain season.
36	Karagwe DC	Rehabilitation of Katoju-Ihembu-Karehe road	18km, 4box culvert and 11 line Culvert	645,946,959	8.2	127,829,400	40%	5 lines culverts done, no box culvert completed so far.
37	Kilosa DC	Construction of Mvumi –Madenge Road	4km	51,904,800	4	51,904,800	100%	
38	Kishapu DC	Construction of Gimagi- Mwalalasa Magalata Road	7km & line Culvert 96m	208,980,900	7	76,195,786	80%	
39	Ruangwa DC	Construction of Ruangwa Town Road to DSD	1km	422,750,000	1.06	422,750,000	100%	
40	Meru DC	Construction Ubungo (Ndoombo ya chini)- Irikolamumbe Road & Irikolamumbe Bridge	2.9km & 1No	338,488,915	0.5	87,000,000	60%	
41	Nzega TC	Construction of Nzega Town Road DSD	2 km	845,500,000	0	-	Mobilization	Design Completed. Award of contract 18th May, 2018)
42	Momba DC	Construction of Ikana –Makamba-Nkana gravel standard	25km	356,000,000	15	320,286,362	57%	contractor under Liquidated damage
43	Madaba DC	Construction of Madaba Town Road to DSD	1km	422,750,000	0.05	-	5%	Delay due to rain season
44	Kibiti DC	Construction of Mhoro-Mbwera to gravel standard	20km	284,800,000	0	-	Mobilization	Work is Postponed up to 20th July 2018 due to rainy season
45	Njombe DC	Construction of Itambo –Idete gravel standard	15km	267,000,000	15	232,970,000	100%	
46	Ilemela MC	Construction of Kabuho-Ziwani road to DSD	1.5km	634,125,000	0.3	204,102,000	30%	
47	Nyasa DC	Construction of Kipapa-Mango road (concrete strip)	5km	178,000,000	0	-	15%	
48	Magu DC	Rehabilitation of Kahangara-Mwamanga-Kisesa B	10km	267,000,000	13	258,408,520	100%	
49	Tarime DC	Construction of Mori Bridge	1No	445,000,000	0	-	10%	Delay due to design and Testing Lab
50	Butiama DC	Construction of Nyamisisi- Mnadani- Kiabakali DSD	1KM	422,750,000	0.45	119,830,000	45%	
51		Construction of Bugunga-Baluma-Kiabakali road	8km	129,911,860	7.6	80,545,000	95%	
52	Wangingombe DC	Construction of Estate No.5 –Kidugala-Mastitu-Wangama- Kipengele road	30km	534,000,000	29.4	308,771,000	95%	

53	Chemba DC	Construction of Chemba –Donsee road	19km	338,200,000	7.6	68,604,000	40%						
54	Arusha DC	Upgrading of Mianzini - Timboto road to DSD	1	350,000,000	0.8	350,000,000	Works Completed						
55	Karatu DC	Upgrading of Karatu Town Roads	1	350,000,000	0.6	55,000,000	50%						
56	Kondoia TC	Upgrading of Kondoia Town roads to DSD	1.5	845,500,000	0.3	845,500,000	100%						
57	Kongwa DC	Upgrading Kibaigwa Township to Double Surface Dressing	1	350,000,000	0.1	149,000,000	40%						
58	Nsimbo DC	Construction of Bridge along Ilembo-Itenka road	1	300,000,000	0.2	31,000,000	20%						
59	Kilwa DC	Rehabilitation of Kilwa Mkocho - Kivinje road	4.5 km	800,000,000	0	-	0%						President ordered to be done by TANROADS
60	Serengeti DC	Upgrading of Serengeti town roads- tarmac level	2 Km	700,000,000	0.77	103,810,000	17%						
61	Mbeya CC	Upgrading of Gravel Road To Paved Road-5.0km	2 Km	400,000,000	0.5	77,880,000	20%						
62	Mvomero DC	Upgrading of Mvomero Town Roads to DSD standard	1 Km	350,000,000	1	350,000,000	100%						
63	Masasi TC	Upgrading to Bitumen (Double Surface Dressing) Standard of Rest Camp-Magereza 1.4km	1.4 Km	475,000,000	1.4	279,670,000	100%						
64	Nanyamba TC	Upgrading of Nanyamba Town roads to DSD standard	1 Km	350,000,000	1	331,000,000	100%						
65	Misungwi DC	Construction of Mwasonge Bridge	1 No	1,030,000,000	0	-	80%						Works expected to resume soon after design completion.Design delay is due to delay in Testing Lab(C-LAB) reports issuance.
66	Kisarawe DC	Construction of Kisarawe Town roads to tarmac level	1.8 Km	700,000,000	1.8	737,500,000	100%						
67	Rufiji DC	Upgrading of Utete Urban roads from gravel to Tarmac road	1 Km	350,000,000	0.5	92,880,000	50%						
68	Nkasi DC	Upgrading of Nkasi Urban roads from gravel to Tarmac road	1 Km	350,000,000	0.1	53,300,000	15%						
69	Nantumbo DC	Construction of 2km of tarmac road in Luasewa Township	2 Km	700,000,000	2	416,000,000	100%						
70	Nyasa DC	Construction of Tingi - Liparamba Bridge (span 25 m, depth 6m, new road 25km)	30 Km	505,000,000	15.08	420,000,000	83%						
71	Korogwe DC	Upgrading of Mombo Town Roads to DSD	1 Km	350,000,000	0.42	82,550,000	30%						
72	Lushoto DC	Upgrading of Lushoto Town Tarmac road	1 Km	350,000,000	0.75	89,260,000	75%						Extension of time granted due to heavy rainfall
73	Mile DC	Rehabilitation of Milele Town Roads to DSD	1 Km	350,000,000	0	350,000,000	0%						Funds used to cover 2015/16 works
74	Kinondoni MC	Migombani - Shoppers Plaza	0.5 Km	350,000,000	0	-	0%						Mobilization . Advance Payment paid (15%) 42,700,000/-
75	Mpwapa DC	Construction of Kibakwe - Wotta roads 23 Km (4 Km concrete strips and 19 Km gravel standard)	23 Km	835,000,000	13	783,570,000	70%						
76	Mpwapa DC	Upgrading of Kidenge - Lufu road 25.5 Km (7 Km blasting rocks and concrete strips)	25.5 Km	1,092,500,000	16	461,400,000	45%						
77	Ruangwa DC	Ruangwa-Nangurugai Bridge	1 No	556,300,000	0	-	0%						Design at final stage (85%)
78	Kisarawe DC	Construction of Mzenga - Nyani - Gwata	13.5 Km	500,000,000	13.5	341,940,000	75%						

79	Kisarawe DC	Construction of Kimaramisale - Kigogo and 3 bridges	3.95 Km	1No	340,000,000	122,100,000	40%		
80	Liwale DC	Construction of bridge at Mbemkulu River along Liwale - Ruangwa Road	1No	0	416,751,320	-	0%	Design at final stage (85%)	
81	Arusha DC	Upgrading of Tribunal Road (Laktlaki Area) to DSD	1.25KM	0.8	546,979,980	232,540,000	43%	Extension of time due to additional works, works to be completed in may 2018	
82	Kinondoni MC	Rehabilitation of Msasani I-II to paved standard	1.09KM	0	1,348,464,910	-	15%	Contract signed 9th May 2018	
83	Mwanza CC	Upgrading of Roman Catholic Church Road to Cobble Stone Standard Road	0.84KM	0.71	322,372,080	373,500,000	100%		
84	Kyela DC	Construction of Mbala Bridge	1No		898,976,610		0%	Readvertizement due to failure to get qualified contractor	
85	Mbeya CC	Upgrading of block T road Phase II Overlay (AC)	1KM	1	374,232,460	351,900,000	100%	Extension of time granted due to relocation of utilities until June 2018	
86	Arusha DC	Upgrading of Sanawari - Oldonyosapuk to DSD	1KM	0.7	369,780,060	149,000,000	56%	Former contract terminated due to non performance. New contractor procured	
87	Kinondoni MC.	Rehabilitation of Masjid - Quba	2.55KM	0	3,326,145,000	-	0%	Procurement at final stage. Bid value exceeded the budget: under rescopeing	
88	Kilolo DC	Rehabilitation of Kilalaladewa Bridge.	1No	0	279,173,840	-	0%		
89	Msalala DC	Construction of Nyaya Bridge at Ngaya Ward.	1No	0	386,870,000	-	20%		
90	Kondoa DC	Rehabilitation of Kinyasi Majengo-Mauno-Itaswi-Chubi Road (Gravel standard).	21km	9	525,000,000	-	43%		
91	Ulanga DC	Construction of Mzingizi Bridge along Ruaha-Sali Road.	1No	0	605,569,500	-	0%	Mobilization: works were suspended to avoid rainy season	
92	Lindi MC	Rehabilitation of Mtuu-Cheleweni Road and Drain (Gravel standard).	15	2.2	410,000,000	135,053,242	60%		
93	Same DC	Rehabilitation of Chanokoko-Uvinze Junction Road (Gravel standard).	8	0	147,225,000	-	0%	Funds used to pay outstanding payments, The road is currently under Periodic maintenance under maintenance budget.	
94	Kilosa DC	Rehabilitation of Berega Bridge	1No	0.65	254,120,000	81,628,665	65%		
95	Songea DC	Rehabilitation of Liganga-Mborongo Mwerbasi Road(Gravel standard).	30	15	160,000,000	31,841,073	55%		
96	Kilolo DC	Rehabilitation of Mtandika-Msosa Road (Gravel standard).	13	0	354,094,400	-	0%	Contract submitted to HQ for review. Bid value exceeded the budget. under rescopeing	
97	Kilolo DC	Rehabilitation of Mtandika-Ikula Road (Gravel standard).	16	0	476,790,800	-	0%	Contract submitted to HQ for review. Bid value exceeded the budget. under rescopeing	
98	Ifakara TC	Rehabilitation of Keepile-Police-Lupogolo-Soko Mjinga Road (Gravel standard).	1.3	0.6	464,627,950	68,000,000	43%		
99	TARURA HQ	Design and Construction of TARURA HQ			550,000,000	-		Contract Awarded to Consultant	
					49,843,778,060	351.03	13,861,582,943		

REPORT OF THE CONTROLLER AND AUDITOR GENERAL



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
AUDIT OF FINANCIAL STATEMENTS OF THE ROADS FUND BOARD
FOR FINANCIAL YEAR ENDED 30 JUNE 2018

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Website: www.nao.go.tz

ROADS FUND BOARD

29 APR 2019

RECEIVED

March 2019

AR/RFB/2017/18



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



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March 2019

AR/RFB/2017/18

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Abbreviations

IESBA Code	International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants
IPSAS	International Public Sector Accounting Standards
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
RFB	Road Fund Board

1.0 GENERAL INFORMATION

1.1. Mandate

The statutory duties and responsibilities of the Controller and Auditor General are given under Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2005) and in Section 10 (1) of the Public Audit Act No. 11 of 2008.

1.2. Vision, Mission and Core Values

Vision

To be a highly regarded Institution that excels in Public Sector Auditing.

Mission

To provide high quality audit services that improves public sector performance, accountability and transparency in the management of public resources.

Core Values

In providing quality services, NAO is guided by the following Core Values:

- ✓ **Objectivity:** We are an impartial public institution, offering audit services to our clients in unbiased manner.
- ✓ **Excellence:** We are professionals providing high quality audit services based on standards and best practices.
- ✓ **Integrity:** We observe and maintain high standards of ethical behavior, rule of law and a strong sense of purpose.
- ✓ **People focus:** We value, respect and recognize interest of our stakeholders.
- ✓ **Innovation:** We are a learning and creative public institution that promotes value added ideas within and outside the institution.
- ✓ **Results Oriented:** We are an organization that focuses on achievement based on performance targets.
- ✓ **Team work Spirit:** We work together as a team, interact professionally, share knowledge, ideas and experiences.

We do this by:-

- Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- Helping to improve the quality of public services by supporting innovation on the use of public resources;
- Providing technical advice to our clients on operational gaps in their operating systems;
- Systematically involve our clients in the audit process and audit cycles; and
- Providing audit staff with appropriate training, adequate working tools and facilities that promote their independence.

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1.3. Audit Objectives

To obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and are prepared in accordance with an applicable financial reporting framework; and whether laws and regulations have been complied with.

1.4. Audit Scope

The audit was carried out in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and other audit procedures as were deemed appropriate under the circumstances. This covered the evaluation of the effectiveness of the financial accounting system and internal control over various activities of the Roads Fund Board.

The audit was conducted on a sample basis; therefore, the findings are confined to the extent that records, documents and information requested for the purpose of the audit were made available to me. Audit findings and recommendations arising from the examination of the accounting records, appraisal of the activities as well as evaluation of the Internal Control System which requires management's attention and actions, are set out in the management letter issued separately to the Roads Fund Board.

As an auditor, I am not required to specifically search for fraud and therefore, my audit cannot be relied upon to disclose all such matters. However, my audit was planned in such a way that I would have reasonable expectations of detecting material errors and misstatement in the financial statements resulting from irregularities including fraud. The responsibility for detection, prevention of irregularities and the maintenance of an effective and adequate system of internal control rests with the management of the Roads Fund Board.

1.5. Audit Methodology

My audit approach included tests of the accounting records and other procedures in order to satisfy the audit objectives. My audit procedures included the following:

- Planning the audit to identify and assess risks of material misstatement, whether due to fraud or error, based on an understanding of the entity and its environment, including the entity's internal controls.
- Obtain sufficient appropriate audit evidence about whether material misstatements exist, through designing and implementing appropriate responses to the assessed risks.
- Form an opinion on the financial statements based on conclusions drawn from the audit evidence obtained.
- Follow up on the implementation of the previous year's audit findings and recommendations and directives issued to ensure that proper action has been taken in respect of all matters raised.

2.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board,
Board of Directors,
Road Fund Board,
Njedergwa Investment,
P. O. Box 993,
DODOMA.

Report on the audit of financial Statements of Road Fund Board for the financial year Ended 30 June 2018

Unqualified Opinion

I have audited the accompanying financial Statements of Road Fund Board, which comprise the Statement of Financial Position as at 30 June 2018 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.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Road Fund Board as at 30 June 2018, 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 Board 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

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, Section 10 (2) of the Public Audit Act No. 11 of 2008 requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement (amendment) Act 2016 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 (amendment) Act, 2016

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 Board procurement transactions and processes have generally complied with the requirements of the Public Procurement (amendment) Act, 2016 and its underlying (amendment) Regulations of 2016.


Prof. Mussa Juma Assad
CONTROLLER AND AUDITOR GENERAL

31 March 2019

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DODOMA.

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



ABBREVIATIONS

CAG	: Controller and Auditor General
GEPF	: Government Employees Provident Fund
PSPF	: Public Service Pension Fund
PPF	: Parastatal Pension Fund
NSSF	: National Social Security Fund
TCC	: Tanzania Confederation of Co-operatives
NHIF	: National Health Insurance Fund
NBAA	: National Board of Accountants and Auditors
ERMS	: Enterprise Wide Risk Management Systems
TTOA	: Tanzania Truck Owners Association
TATO	: Tanzania Association of Tour Operators
TCCIA	: Tanzania chamber of Commerce, Industry and Agriculture
IPSAS	: International Public Sector Accounting Standards
RFB	: Roads Fund Board
PORALG	: Presidents Office, Regional Administration and Local Government
MoWTC	: Ministry of Works, Transport and Communication
TFRS 1	: Tanzania Financial Reporting Standards 1-Directors Report

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ROADS FUND BOARD**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018****DIRECTORS REPORT FOR THE YEAR ENDED 30th JUNE 2018**

1. The Roads Fund Board Members present their report and the Financial Statements for the year ended 30th June 2018, which disclose the state of affairs of the Roads Fund Board (RFB). This report has been prepared in accordance with the Tanzania Financial Reporting Standard (TFRS) NO.1. Directors Report and forms part of the compliance to section 5(6) of the governing law; Road and Fuel Tolls Act CAP 220 .

2. Vision

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

3. Mission

To provide sustainable funding for road maintenance to implementing agencies through collection, disbursement and monitoring its utilization for socio-economic wellbeing of the public

4. CORPORATE GOVERNANCE

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

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

4.1 Functions of the Board

Pursuant to the Road and Fuel Tolls Act CAP 220, the 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 Roads Agencies and advise the roads Minister accordingly;
- f) to recommend to the roads Minister an allocation of funds for Roads Agencies to undertake road management at a level that is suitable and affordable;
- g) to disburse funds from the Fund to Roads Agencies;

ROADS FUND BOARD**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018**

- h) to ensure that the operations of Roads Agencies and the Fund are technically and financially sound;
- i) to monitor the use of the funds disbursed to Roads Agencies for the purpose of the objects of the Fund;
- j) to appoint the Roads Fund Manager and other 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.

4.2 Composition and appointment of the RFB Board Members

The composition and appointment of members of the Board is prescribed by the Road and Fuel Tolls Act, CAP 220. The Roads Fund Board consists of nine members. Out of that, four (4) members are from the Public Sector and five (5) are from the private sector as it is prescribed in the Act.

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 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 Tanzania Federation of Co-operatives
 - (v) Any organisation of road users with no potential conflict of interest.
- (g) Roads Fund Manager as the secretary to the Board.

Pursuant to the Road and Fuel Tolls Act CAP 220, the Board is required 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.

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

During the financial year, the Board conducted five ordinary meetings and two special meetings to review policy matters, performance of its Secretariat and Implementing agencies and other issues related to Road Fund activities.

Board Members who served during the reporting period and their attendance to the meeting are as shown in the table below:

SN	NAME	POSITION	INSTITUTION	No of meetings attended (out of 7)
1.	Mr. Joseph O. Haule	Chairman	Retired Civil Servant	4
2.	Eng. Musa I. Iyombe	Member	Permanent Secretary, President's office Regional Administration Local Government (PORALG)	5
3.	Mr. Doto M. James	Member	Permanent Secretary, Ministry of Finance and Planning	6
4.	Eng. Joseph M. Nyamhanga	Member	Permanent Secretary (Works) Ministry of Works, Transport and Communication (MoWTC)	4
5.	(a) Eng. Ven K. Ndyamukama	Member	Director of Roads –MoWTC	3
	(b) Eng Happiness Mgalula	Member	Director of Roads –MoWTC	1
6.	Mr. Renatus B. Fulgence	Member	Tanzania Truck Owners Association	3
7.	Ms. Agnes S. Namuhisa	Member	Tanzania Federation of Co-operatives	7
8.	Mr. Leopold Kabendera	Member	Tanzania Association of Tour Operators	7
9.	Eng. Peter D. Chisawillo	Member	Tanzania Chamber of Commerce Industry and Agriculture (TCCIA)	6
10.	Mr. Eliud T. Nyauhenga	Secretary		7

The Board conducts its affairs through three Committees namely,

- i. The Technical and Finance Committee
- ii. Audit and Risk Management Committee
- iii. Human Resources , Employment and Discipline Committee

ROADS FUND BOARD**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018****i). Technical and Finance Committee.**

The members of the committee and respective attendance to the meetings are as follows:

SN	NAME	POSITION	QUALIFICATIONS	No of meeting attended (out of 7)
1	Eng. Peter D. Chisawillo	Chairman	MSc	6
2.	Eng. Musa I. Iyombe	Member	MSc	5
3.	Mr. Doto M. James	Member	MSc	5
4.	Eng. Ven K. Ndyamukama	Member	MSc	5
	Eng. Happiness Mgalula	Member	MSc	1
5.	Mr. Leopold B. Kabendera	Member	Diploma	7
6	Eng. Rashid Kalimbaga	Secretary	MSc	7

ii). Audit and Risk Management Committee

The members of the committee and respective attendance to the meetings are as follows:

SN	NAME	POSITION	QUALIFICATIONS	No of meeting attended (out of 5)
1.	Mr. Renatus B. Fulgence	Chairman	Advance Diploma	4
2.	Eng. Musa I. Iyombe	Member	MSc	4
3.	Eng. Joseph M. Nyamhanga	Member	MSc	4
4.	Ms. Agnes S. Namuhisa	Member	MA	5
5.	Mr. Ayub James	Secretary	CPA(T)	5

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

iii). Human Resources , Employment and Discipline Committee

The members of the committee and respective attendance to the meetings are as follows:

SN	NAME	POSITION	QUALIFICATIONS	No of meeting attended (out of 6)
1.	Mr. Leopold B. Kabendera	Chairman	Diploma	5
2.	Eng. Ven K. Ndyamukama	Member	MSc	3
3.	Ms. Agnes S. Namuhisa	Member	MA	5
4.	Eng. Peter D. Chisawillo	Member	MSc	4
5	Mr. Aureus Mapunda	Secretary	MPA	6

4.3 ROADS FUND BOARD MANAGEMENT

The Roads Fund Board Management team during the reporting period is as shown below:

S/no	Name	Designation
1.	Mr. Eliud T. Nyuhenga	Roads Fund Manager
2.	Ms. Anna T. Masaro/Mr John R. Aswile	Ag. Deputy Manager - Finance and Administration/Deputy Manager-Finance and Administration
3.	Eng Rashid S. Kalimbaga	Deputy Manager – Technical Services
4.	Mr. Kukwe G. Nyabusalo	Ag. Deputy Manager – Resource Mobilization
5.	Mr. Ayub James	Chief Internal Auditor
6.	Mr. Abdallah A. Mtey	Head of Procurement Management Unit
7.	Mr. Emmanuel G. Mwakajinga	Head of Information Technology

4.4 RISK MANAGEMENT AND INTERNAL CONTROLS

The RFB Board of Directors is entrusted with the oversight role for an efficient and effective RFB internal control framework. During the year under review Management was responsible to ensure that internal controls in place are effective and strong to ensure smooth operations and achievement of the objectives of the Roads Fund Board.

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

During the financial year, risk management system framework was in place in line with the guidelines issued by the Ministry of Finance and Planning. Various internal controls to mitigate organizational risks were instituted including the continuing existence of independent Internal Audit Unit.

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

a) Relevant legislations

Relevant legislations which include the Public Finance Act 2001, Public Procurement Act 2011, Public Audit Act 2008, Budget Act 2015, and Road and Fuel Tolls CAP 220.

b) Delegation

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

c) Internal Audit

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

d) Competence

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

e) Budgets

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

f) Risk Register

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

g) Operations Manual

These are several operational guiding tools developed internally that describe in detail the processes and systems that are used by staff in their daily operations,

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

5. 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 disbursements made to the parent ministry and remuneration of directors and key management personnel during the year ending 30th June 2018 as shown below;

S/no	Description	TZS. '000's
1	Board expenses	373,677
2	Directors' fee	50,717
3	Management remuneration	630,876
4	Ministry of Works, Transport and Communication (Works)	54,348,497

6. OVERVIEW OF BOARD'S PERFORMANCE

During the FY 2017/18 the Board carried out its activities in accordance to the approved plan and budget for the year ending 30th June 2018 and in line with the Road and Fuels Tolls Act CAP 220. The Board enters into performance agreements with those implementing agencies before disbursing funds to them.

7. KEY PERFORMANCE INDICATORS

RFB has developed strategic plan for the period covering 2016/17 – 2020/21. This is a rolling plan which is reviewed annually and updated to ensure that it is still appropriate and valid for RFB to achieve its mission. The Board prepares activities for the year in line with strategic plan to ensure Board objectives are attained. The following are some of the achievements of the RFB for the reporting period:

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

S/N	Performance Indicators	Target (Plan)	Actual (Achievement)
1.	Increase Collection Roads & Fuel Tolls	10%	7%
2.	Disbursement of Fund to implementing agencies	100%	100%
3.	Monitoring utilization of Fund for 26 regions in Tanzania Mainland both local and Development partners support Funds.	10	10
4.	Meet Road Maintenance needs	75%	43%

NOTE:

1. The expected increase in collection of Roads and Fuel Tolls was 10% but actual achievement was 7%. Reasons for this level of achievement include unsatisfactory performance on revenue collections
2. The Board expected to meet at least 75% of the unconstrained budget but actually has achieved 43% which is a further drop from 49% during the financial year 2016/17. This also has been caused by the unsatisfactory performance on revenue collections on one part and expanded road network on the other part.

7.1. Roads Fund collections

The approved budget for FY 2017/18 was TZS 1,003.171 billion. Total amount collected was TZS 878.140 billion, which is equivalent to 88 % of the budget.

The amount under collected is TZS 125.241 billion. Total amount disbursed to implementing agencies amounted to TZS 857,044 billion, the amount differs from collections made because of the fact that collections for June 2018 were received in FY 2018/19.

7.2. Disbursement to Implementing Agencies

The Board disbursed to implementing agencies 85% of their approved road maintenance budgets and performed preventive and technical audit for 10 regions. The Board also entered into performance agreement with the implementing agencies and monitored progress of implementation of approved work plans.

Furthermore, The Government launched TARURA followed announcement in the National Gazette with GN 211 of 12th May 2017. It started operation in July 2017 taking over all maintenance of Road works which were done by PORALG. 90% of Roads funds which were sent to PORALG for execution of

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

road works are now directed to TARURA for the same activity and the remaining 10 % are send to PORALG

Implementing Agency	Approved Final Budget	Actual Amount Disbursed	Variance Amount	Var %
	TZS'000	TZS'000	TZS'000	
TANROADS	593,409,000	511,845,412	81,563,588	14
PO-RALG	72,502,000	52,701,782	19,800,218	27
TARURA	245,607,000	210,632,101	34,974,899	14
MoWTC	68,334,000	54,348,497	13,985,503	20
SPECIAL ALLOCATION	17,730,325	17,378,432	351,893	2
RFB	13,336,115	10,137,966	4,163,899	31
Total Disbursement	1,010,918,440	857,044,190	153,874,250	15

8. EMPLOYEE'S WELFARE

8.1. Management and Employees' Relationship

There were continued good relations between employees and management for the year 2017/18. There were no unresolved complaints received by Management from the employees during the year. A healthy relationship continues to exist between management and employees. The Board is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion and disability which does not impair ability to discharge duties.

8.2. Training Facilities and Staff Development

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

When presenting its annual budget for the year 2017/18, the Board did set aside a sum of TZS. 200.3m for staff training in order to improve employee's technical skills and hence effectiveness. Training programs have been and are continually being developed to ensure employees are adequately trained at all levels. All employees are accorded some form of

ROADS FUND BOARD**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018**

training each year to upgrade skills and enhance development. During the reporting period, a total of TZS 198.0million was spent for the above mentioned training programmes.

8.3. Medical Assistance

The Board meets the cost of medical consultation and treatment for all employees and their immediate family dependants through contributions made to the National Health Insurance Fund (NHIF). The Board joined the fund since September 2017

8.4. Financial Assistance to Staff

This is available to all employees depending on the merit of each case as assessed by management as well as liquidity position of the Board. However, employees are also encouraged to obtain loans or advances from Commercial banks to meet their various needs in as far as finance is concerned.

8.5. Persons with Disabilities

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of a member of staff becoming disabled, every effort is made to ensure that his/her employment with the Board continues and appropriate training is arranged. It is the policy of the Board that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

8.6. Retirement Benefits

The Board contributes statutory deductions towards employees' pension scheme administered by the various Social Security Funds e.g. PPF, NSSF, GEPF, PSPF on behalf of all employees.

8.7. Gender Policy

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

The number of employees of the Board during the year was 21 staff whose composition included 16 males and 5 females. During the reporting period, six employees were recruited and one did exit from the service of the Board.

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

9. SOLVENCY

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

10. 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 utilization 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.

The future plans will involve the following activities and targets:

Sn	Strategic Objective	Strategic activity	Annual Target
1	Funding adequacy for road maintenance enhanced	(i) Increase revenue collection. (ii) Reduce roads maintenance costs by June 2021	Identify new sources of revenue and explore for new roads maintenance technologies by June 2019
2	Allocation and disbursement of funds to implementing agencies improved	(i) Improve disbursement mechanism. (ii) Improve funds allocation formula.	(i) Funding allocation formula for roads fund reviewed and implemented by June, 2020. (ii) Funds disbursement time reduced from five (5) days to two (2) days by June 2018. (iii) IT based data sharing system established and implemented by June, 2019.
3	Monitoring and evaluation of revenue collection and funds utilization enhanced	(i) Strengthen monitoring and Evaluation operations. (ii) Improve utilization of funds by Implementing Agencies.	(i) All sources of revenue monitored quarterly by June, 2021. (ii) Value for money technical audit to implementing

**ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018**

			<p>agencies in 10 regions conducted annually.</p> <p>(iii) Eight (8) monitoring visits to implementing agencies conducted annually.</p> <p>(iv) Capacity building/development of local contractors and consultants involved in road works facilitated by June, 2021.</p>
4	Capacity of RFB to undertake its mandate function improved	To build capacity of staff	At least 10 trainings to staff conducted by June 2019
5	HIV/AIDs infections reduced and support services improved	To conduct awareness education on HIV/AIDS and provide supportive care to the staff as the case will require	Workplace interventions on HIV/AIDS implemented and sustained by 30 th June 2019
6	National anti-corruption strategy enhanced; sustained and effectively implemented	To conduct awareness campaigns to fight corruption and unethical behaviours among staff	Workplace interventions on anti-corruption practices implemented by June 2019

11. POST BALANCE SHEET EVENTS

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

12. SERIOUSLY PREJUDICIAL

During the year ended 30th June, 2018 there was no any serious prejudicial matters worth reporting.

13. ACCOUNTING POLICIES

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

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

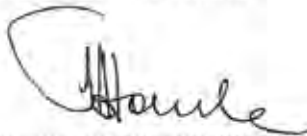
14. CAPITAL MANAGEMENT

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 2017/18 this objective remained intact.

15. STATUTORY AUDITORS

The Controller and Auditor General (CAG) is the statutory Auditor of the Roads Fund Board by virtue of Article 143 of the Constitution of the United Republic of Tanzania as amplified under Public Audit Act No. 11 of 2008 and as per the Road and Fuel Tolls Act CAP 220.

BY THE ORDER OF THE BOARD



CHAIRMAN OF THE ROADS FUND BOARD

26.09.2018
DATE

**ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018**

STATEMENT OF THE ROADS FUND 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.

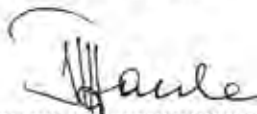
The Board is also required to prepare Financial Statements for each Financial year that gives a true and fair view of the state of affairs of the Board its operations and sources and applications of funds obtained during the period.

The Roads Fund 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 2018. The Board confirms that International Public Sector Accounting Standards (IPSAS) on accrual basis have been applied in preparation of the financial statements.

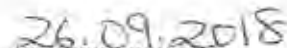
The Board is of the opinion that the financial statement gives a true and fair view of the state of affairs of the RFB and its operations results. The Governing Board further accept responsibility for the maintenance of the accounting records, which may be relied upon in the preparation of the financial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



DATE

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTING

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied 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/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 as under Directors Responsibility statement on an earlier page.

I, John R. Aswile, being the Deputy Manager-Finance and Administration of Roads Fund Board hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June 2018, 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 Roads Fund Board as on that date and that they have been prepared based on properly maintained financial records.

Signature: 

Position: Deputy Manager-Finance and Administration

NBAA Membership No.: FCPA (T) 1168

Date: 26.09.2018

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

ROADSFUND BOARD
 STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2018

		30.06.2018	30.06.2017
	NOTE	TZS'000	TZS'000
CURRENT ASSETS			
Cash and Cash equivalent	12	12,969,156	114,804,401
Roads Fund Receivables	13	111,009,010	418,640,921
Staff Loans & Advances	14	129,413	99,300
Other Receivables	15	184,290	366,096
		124,291,870	533,910,718
NON CURRENT ASSETS			
Property, Plant & Equipment	16	6,756,088	5,683,272
Intangible Assets	26	30,574	25,819
		6,786,662	5,709,091
TOTAL ASSETS		131,078,532	539,619,809
CURRENT LIABILITIES			
Fund Due to Implementing Agencies	17	26,519,063	468,405,141
Other Payables	18	432,415	391,157
Other provisions and Accruals	19	5,558,404	2,121,439
TOTAL LIABILITIES		32,509,882	470,917,737
NET ASSETS		98,568,650	68,702,072
CAPITAL AND RESERVES			
Contributed Capital	20	56,843	56,843
Development Partners Support	21	99,288	99,288
Revaluation Surplus	22	0	290,657
Accumulated Surplus	23	98,412,520	68,255,284
		98,568,650	68,702,072

These financial statements were authorized for issue by the Board of Directors and were signed on its behalf by:

Name: Joseph O. Haule

Name: Eliud T. Nyauhenga

Title: Chairman-Roads Fund Board

Title: Roads Fund Manager

Signature:

Signature:

Date: 26.09.2018

Date: 26.09.2018

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

ROADS FUND BOARD
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE 2018

DESCRIPTION	NOTE	30.06. 2018	30.06. 2017
		TZS'000	TZS'000
OPERATING REVENUE			
Revenue from non-exchange transactions			
Operating Revenue	3	878,061,175	869,472,119
Revenue from exchange transactions			
Interest Income	4	75,188	762,057
Other Income	5	4,563	284,678
Total Operating Revenue		878,140,926	870,518,854
DISBURSEMENTS TO IMPLEMENTING AGENCIES			
Tanzania National Roads Agency	6	511,845,412	532,661,920
TARURA	7	210,632,101	0
President's Office Regional Administration and LG	8	52,701,782	278,608,274
Ministry of Works, Transport and Communication	9	54,348,497	53,616,927
Special Allocation	10	17,378,432	11,612,335
Roads Fund Board Administration	11	10,137,966	6,321,412
Funds Transferred to other Government Institution			5,620,247
Total Operating Expenditure		857,044,190	888,441,115
Surplus/(Deficit) for the Year		21,096,736	(17,922,261)

These financial statements were authorized for issue by the Board of Directors and were signed on its behalf by:

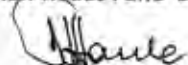
Name: Joseph O. Haule

Name: Eliud T. Nyauhenga

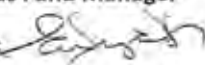
Title: Chairman-Roads Fund Board

Title: Roads Fund Manager

Signature:



Signature:





Date: 26.09.2018

Date: 26.09.2018

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

ROADS FUND BOARD						
STATEMENT OF CHANGES IN NET ASSETS						
FOR THE YEAR ENDED 30TH JUNE 2018						
	Contributed Capital	Development Partners Support	Revaluation Reserve	Accumulated Surplus	Total	
	TZS '000	TZS'000	TZS'000	TZS '000	TZS '000	TZS '000
At 01 July 2016	56,843	99,288	-	86,177,545	86,333,676	
Changes in accounting policy	-	-	-	-	0	
Revaluation surplus			290,657		290,657	
Deficit for the period				-17,922,260	-17,922,260	
At 30th June 2017	56,843	99,288	290,657	68,255,285	68,702,073	
At 01 July 2017	56,843	99,288	290,657	68,255,285	68,702,073	
Prior period adjustment	-	-	-	7,805,871	7,805,871	
Restated Balances as at 1st July 2017	56,843	99,288	290,657	76,061,156	76,507,943	
Revaluation	-	-	-	-	-	
Surplus/ (deficit) for the period	-	-	-	22,060,707	22,060,707	
Adj. on revaluation reserves			-290,657	290,657	0	
At 30 June 2018	56,843	99,288	0	98,412,520	98,568,650	

These financial statements were authorized for issue by the Board of Directors and were signed on its behalf by:

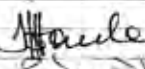
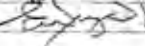
Name: Joseph O. Haule	Name: Eliud T. Nyauhenga
Title: Chairman, Roads Fund Board	Title: Roads Fund Manager
Signature: 	Signature: 
Date: 26.09.2018	Date: 26.09.2018

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

ROADS FUND BOARD			
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2018			
Description	NOTE	30.06.2018	30.06.2018
		TZS'000	TZS'000
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Fuel Levy and Transit charges	3	783,141,636	772,600,583
Overloading and Abnormal fees	3	15,723,027	6,771,056
Road Reserve Fees	3	5,102,121	9,149,037
Interest received	4	75,188	762,058
Sale of Tender Document			1,900
Donor support Fund	3	53,160,480	92,806,884
sub total		857,202,452	882,091,518
Payments			
Payments to Employees	25	2,512,298	2,033,247
Payments for Good and services supplied	25	2,411,627	3,091,238
Payment for Board Members and Board Meetings	25	401,987	371,392
Payment for stakeholders, Consultancy meetings	25	257,969	305,926
Loans given to Employees		68,333	-
Disbursement for Special roads works	10	13,250,870	10,789,068
Disbursement Road Fund to implementing agencies		776,406,612	714,699,237
Disbursement in respect of DFID Funds		11,753,007	15,296,410
Disbursement in respect of EU Funds		32,256,559	30,127,660
Disbursement in respect of USAID Funds		8,847,414	457,705
Disbursement to Other Govt. Institutions		0	5,620,247
Disbursement to Implementing Agencies (110,319,225	
sub total		958,485,901	782,792,130
Net Cash Flow from Operations		-101,283,449	99,299,388
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plants & Equipments		-545,203	-2,404,411
Purchase of Intangible Assets		-11,156	-83,407
Advance payment Purchase of Motor Vehicle		0	-165,953
Proceed on disposal of PPE	5	4,563	15,875
Net Cash Flow from Investing Activities		-551,796	-2,637,896
NET INCREASE/(DECREASE) IN CASH		-101,835,245	96,661,492
Net Increase (Decrease) in Cash		-101,835,245	96,661,492
Cash at Beginning of Period		114,804,401	18,142,908
CASH AND EQUIVALENTS AT END OF PERIOD	12	12,969,156	114,804,401

NOTE 1 TO 25 FORM PART OF THESE FINANCIAL STATEMENTS

Name: Joseph O. Haule Title: Chairman -Roads Fund Board
 Name: Eliud T. Nyauhenga Title: RoadS Fund Manager

Signature:  Date: 26.09.2018
 Signature:  Date: 26.09.2018

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

ROADS FUND BOARD							
STATEMENT OF COMPARISON OF BUDGET VS ACTUAL AMOUNTS							
FOR THE YEAR ENDED 30TH JUNE 2018							
Description	Note	Original Approved Budget	Reallocation/ Adjustments	Revised/Final Budget	Actual Amount	Variance	
		TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	%GE
DESCRIPTION							
OPERATING REVENUE							
Revenue from non exchange transactions							
Roads Fund Operating Income		1,001,602,000	1,569,115	1,003,171,115	878,061,175	125,109,940	-12
Revenue from exchange transactions							
Interest Income		-	-	-	75,188	75,188	100
Other Income		211,000	-	211,000	4,563	206,438	-98
Total Operating Revenue		1,001,813,000	1,569,115	1,003,382,115	878,140,926	125,241,190	-12
DISBURSEMENTS TO IMPLEMENTING AGENCIES							
Tanzania National Roads Agency		593,409,000	-	593,409,000	511,845,412	81,563,588	14
Tarura		245,607,000	-	245,607,000	210,632,101	34,974,899	14
Presidents Office Regional Administration and LG		72,502,000	-	72,502,000	52,701,782	19,800,218	27
Ministry of Works		68,334,000	-	68,334,000	54,348,497	13,985,503	20
Special Allocation		17,730,325	-	17,730,325	17,378,432	351,893	2
Roads Fund Board Administration		11,767,000	1,569,115	13,336,115	10,137,966	3,198,149	24
Total Operating Expenditure		1,009,349,325	1,569,115	1,010,918,440	857,044,190	153,874,250	15
Surplus/(Deficit) for the Year		-	-	-	21,096,735	21,096,735	100

These financial statements were authorized for issue by the Board of Directors and were signed on its behalf by:

Name: Joseph O. Haule

Name: Eliud T. Nyauhega

Title: Chairman-Roads Fund Board

Title: Roads Fund Manager

Signature:

Signature:

Date:

Date:

26/09/2018

26/09/2018

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

1. Statement of compliance and basis of preparation – IPSAS 1

The Board's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Tanzanian shillings, which is the functional and reporting currency of the entity and all values are rounded to the nearest thousand (TZS'000). The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

2. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from non-exchange transactions – IPSAS 23

Fuel Levy, transit charges and overloading fees

The Board recognizes revenues from fuel levy, transit charges and overloading fees when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

ii) Revenue from exchange transactions – IPSAS 9 Interest income and other income

Interest income from call and term deposits is recognized as it accrues, using the effective interest rate method.

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

Other sources of income are recognized when earned and are reported in the financial period to which they relate.

b) Budget information – IPSAS 24

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

C) Property, plant and equipment – IPSAS 17

All property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes, the purchasing price and expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

The entity uses a straight line method of depreciation and amortization as shown here below:

S/No.	CLASS OF ASSET	RATE
1.	Office equipments	37.5%
2.	Intangible assets	37.5%
3.	Motor vehicles	25.0%
4.	Office Furniture and Fixtures	12.5%
5.	Buildings	2.0%

Land is not depreciated.

d) Intangible assets – IPSAS 31

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred

The useful life of the intangible assets is assessed as either finite or infinite.

Research and development costs

The Board expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

e) Provisions – IPSAS 19

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

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

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

Contingent liabilities

The Board discloses the details of any contingent liability in the notes to the financial statements, but where the possibility of an outflow of resources embodying economic benefits or service potential is probable, then it recognizes it in the statement of financial performance.

Contingent assets

The Board discloses details of any possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Board in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

f) Nature and purpose of reserves

The Board maintains its contributed capital and other reserves inclusive of retained reserves, Development partners support and Revaluation reserves. However, following the Government decision to adopt a cost model in valuation of assets, this reserve has been eliminated.

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.

g) Changes in accounting policies and estimates – IPSAS 3

The Board recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

h) Employee benefits – IPSAS 25

Retirement benefit plans

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

The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

ROADS FUND BOARD**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018****i) Foreign currency transactions – IPSAS 4**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

j) Related parties – IPSAS 20

The Board regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Board, or vice versa. Members of key management are regarded as related parties and comprise the board members, the Roads fund manager and deputy managers.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Tanzania (BOT) and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

m) Comparative figures

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

n) Significant judgments and sources of estimation uncertainty – IPSAS 1

The preparation of the Board's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

ROADS FUND BOARD**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018****Estimates and assumptions**

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

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

Useful lives and residual values

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

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

Provisions

Provisions are raised and management determines an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 19.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

o) Subsequent events – IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2018.

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

	30.06.2018	30.06.2017
	TZS'000	TZS'000
3 - Operating Revenue		
Fuel Levy	791,227,721	744,100,055
Transit Charges	14,989,342	11,588,550
Overloading Fees	11,990,824	10,976,052
Road Reserve User Fee	6,692,809	10,000,578
DFID Support Fund	11,871,725	92,806,884
EU Funds	32,441,340	0
USAID Funds	8,847,414	0
Total	878,061,175	869,472,119

There is a notable increase of funding from Donors compared with last year but overall operating income fairly increased by 0.7%. The Donor funds are used to facilitate various projects at council levels through RFB

4 - Interest Income

Administration Account	0	6,231
Disbursement Account (CRDB bank)	75,188	755,826
Total	75,188	762,057

Interest income has significantly decreased as a result of shifting the deposits from commercial banks to BOT as per Government directives

5 - Other Income

Management Fee - DFID Project	0	266,903
Proceed on disposal of assets	4,563	15,875
Sales of Tender Document	0	1,900
Total	4,563	284,678

6 - Tanzania National Roads Agency

EU Fund allocation	22,708,938	0
Roads Funds Allocation	489,136,474	532,661,920
Total	511,845,412	532,661,920

7 - TARURA

Roads Fund Allocation	210,632,101	0
Total	210,632,101	0

Increase in TARURA is due to Government Initiative to establish Road agency under PORALG to oversee all Road Works. TARURA started operating in July 1st 2017

8 - Presidents Office Regional Administration and LG

DFID Support Fund-Council	11,753,008	92,806,884
EU Fund allocation-PDRALG	9,732,402	0
Roads Funds allocation	22,289,546	185,801,390
USAID(RRDP)Fund Allocation-Councils	8,926,826	0
Total	52,701,782	278,608,274

ROADS FUND BOARD

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

Decrease in Presidents Office Regional Administration and LG is due to Government Initiative to establish Road agency under PORALG to oversee all Road Works. TARURA started operating in July 1st 2017. Almost all road funds which were previously directed to PORALG are now directed to TARURA.

	30.06.2018	30.06.2017
	TZS' 000	TZS'000
9 - Ministry of Works		
Funds Allocation Ministry of Works	54,348,497	53,616,927
Total	54,348,497	53,616,927
10 - Special Allocation		
Ministry of Works	6,502,074	700,000
PORALG	1,860,005	2,537,421
TANROADS	582,683	8,374,914
TARURA	8,433,671	0
Total	17,378,432	11,612,335

The increase in special allocation to implementing agencies is to cater for the increase in national demand for good and passable roads

	30.06.2018	30.06.2017
	TZS' 000	TZS' 000
11 - Roads Fund Board Administration		
Advertisement & Publication	20,193	57,601
Annual subscription fees	24,286	14,731
Audit Expenses	1,456,918	887,446
Bank Charges and Commissions	5,897	27,721
Board meeting expenses	336,264	215,415
Burial Expenses	0	2,968
Casual and Temporary Labourers	18,901	18,504
Civil Servants	943,150	879,910
Computer accessories	9,957	18,073
Computer software	0	0
Consultancy/Stakeholders Meeting	279,896	275,324
Depreciation Expense - Computer Software	39,586	67,576
Depreciation Expense - Motor Vehicle	87,676	45,091
Depreciation Expense - Office Buildings	93,093	87,499
Depreciation Expense - Office Equipment	309,506	178,719
Depreciation Expense - Office Furniture and Fittings	33,129	51,055
Depreciation Expense - Residential Buildings	15,601	14,944
Depreciation Expense - Residential Furniture	13,083	9,901
Diesel	31,890	29,749
Director's fees	50,717	0
Electricity	33,086	38,142
Employer Contribution - LAPF	14,235	13,802
Employer Contribution - NSSF	13,479	12,873
Employer Contribution - PPF	27,883	26,184
Employer Contribution - PSPF	25,741	12,840
Extra duty allowance	127,848	117,191
Food & refreshments	57,505	24,199
Fuel for Generator	7,662	0

ROADS FUND BOARD**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018**

Gift, prizes & donations	7,800	9,716
Government Employees Provident Fund (GEPF)	3,358	106
Gratuity Expense	63,242	57,639
Health insurance	30,334	34,800
Hiring of Motor vehicles	5,578	3,309
Honoraria	54,100	40,875
Housing allowances	33,600	39,720
Impairment loss	0	629,132
Insurance	198	32,004
Internet service	44,664	40,951
Leave travel	80,794	63,654
Loss on disposal of non- current asset	17,712	37
Miscellaneous (Contingency) expenses	4,372	2,757
Office cleaning	26,465	17,515
Office consumable	32,622	25,835
Operational and Consultancy Services	3,083,197	235,186
Outfit Allowance	1,500	0
Outsource maintenance contract services	332,801	0
Other Board Expenses	0	89,999
Per Diem - Foreign	93,952	30,426
Per Diem - Local	466,051	451,075
Per diem Board members Local	23,613	26,902
Per-Diem Board Members Foreign	13,600	39,076
Periodicals and news papers	6,372	4,222
Planning and Monitoring Expenses	623,116	447,303
Postal charges	4,355	2,416
Printing, Annual report, newsletter	30,448	30,314
Professional and Technical Training	198,024	71,070
Rent -Office Building	0	141,283
Rent - Conference facility	11,539	13,371
Repair and Maintenance - Motor Vehicle	41,433	24,940
Repair and Maintenance - RFB Building	24,097	70,826
Repair and Maintenance- Fire Extinguisher	490	0
Repair and Maintenance- Technical Equipment	68,709	49,520
Security Services	42,417	13,601
Telephone & Faxes	15,884	11,419
Tender Board Expenses	44,393	30,603
Transport - Foreign	45,844	4,294
Transport - Local	120,369	133,536
Transport allowance	283,406	214,379
Utilities	69,335	60,143
Water	10,800	0
Total	10,137,966	6,321,412

The increase in administration expenses is due to carrying out the roads inventory and technical and financial audit activities to ensure value for money aspects are attained as intended

12 - Cash and Cash equivalent

CRDB Administration Cash A/C	233,191	365,677
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ROADS FUND BOARD**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018**

Azania Administration Cash A/C	4	(245)
BOT Disbursement Cash Account	12,304,710	96,138,198
CRDB Disbursement Cash Account	409,967	17,835,689
Petty Cash	1,000	1,000
CRDB Road Fund Board for Rural Development	20,283	464,082
Total	12,969,156	114,804,401

Depletion in cash and cash equivalents is due to disbursement activities and the timing in actualizing the receivables and settlement of payables

13 - Roads Fund Receivables

BOT Road Fund A/C	56,773,814	42,010,582
BOT Road Toll Cash Collection A/C	0	336,359,184
Fund Receivable - RFB Administration	4,780,426	2,188,842
Road Reserve Control	1,590,688	
TANROADS Control	1,072,260	270,640
TRA Fuel Levy Control	20,213,931	26,223,122
TRA Transit Charges Control	26,577,892	11,588,550
Total	111,009,010	418,640,921

The decrease in the receivables is due to a review made by the management on the BOT Road Toll Cash Collection A/C whose probability to realize the receivables has become minimal and, therefore, uncollectable. These figures have been reversed against the Funds Due to Implementing Agencies disclosed under Note 17 herein.

14 - Staff Loans & Advances

Revolving Loan	121,558	94,245
Staff Loan Control	7,855	5,055
Total	129,413	99,300

15 - Other Receivables

Prepaid Health Insurance Scheme	56,752	73,013
Prepaid Office Post Box	44	0
Prepaid Service of Office Equipment	1,053	1,053
Prepaid Service of Motor Vehicle Security and fuel System	5,486	6,822
Internet Service	0	339
Prepaid Annual Maintenance - Solar	2,038	0
Purchase of Motor Vehicle	0	165,953
International conference Receivable(MoWTC)	118,916	118,916
Total	184,289	366,096

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

NOTE 16: Property, Plant & Equipment

PARTICULARS	LAND	OFFICE BUILDING	RESIDENTIAL BUILDING	MVEHICLES	OFFICE EQUIPMENTS	OFFICE FURN & FITTINGS	RESIDENTIAL FURNITURE	TOTAL
	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.
Cost as at 01.07.2017	714,900,000	4,531,618,000	790,040,800	184,750,390	557,016,400	158,592,000	81,600,000	7,008,517,590
Additions during the year	-	123,023,808	-	165,953,236	282,683,855	116,434,898	23,061,200	711,156,797
Disposal during the year	-	-	-	-	14,350,800	9,992,000	-	24,342,800
Cost as at 30.06.2018	714,900,000	4,654,641,808	790,040,800	350,703,626	825,349,455	265,034,898	104,661,200	7,695,331,587
Acc. Depreciation as at 01.07.2017	-	67,498,274	14,943,571	375,677,874	431,100,584	364,685,254	9,901,250	1,283,807,807
Adjustment on Depreciation to cater for Revaluation	-	5,593,562	657,245	329,480,277	222,219,434	344,861,254	268,750	860,021,408
Acc. Depreciation as at 01.07.2017	-	93,092,836	15,600,816	46,187,598	208,881,150	19,824,000	10,200,000	393,786,400
Depreciation charge for the year	-	93,092,836	15,600,816	87,675,906	309,506,046	33,129,337	13,082,650	552,087,581
Depreciation on disposal for the year	-	-	-	-	5,381,550	1,249,000	-	6,630,550
Acc. Depreciation as at 30.06.2018	-	186,185,672	31,201,632	133,863,504	513,005,646	51,704,337	23,282,650	939,243,441
Net Book Value as at 01.07.2017	714,900,000	4,444,118,726	765,097,229	190,927,484	125,915,816	208,093,254	71,688,750	5,724,709,783
Net Book Value as at 30.06.2018	714,900,000	4,468,456,136	748,839,168	216,840,122	312,343,809	213,330,361	81,378,550	6,756,088,146

ROADS FUND BOARD**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018****17 - Funds Due to Implementing Agencies**

	30.06.2018	30.06.2017
	TZS'000	TZS'000
Funds Due- MOWTC	999,107	26,523,295
Funds Due -RFB Administration	5,798,869	7,316,467
Funds Due – TARURA	2,948,107	-
Funds Due -TANROADS	11,126,826	262,908,476
Funds Due-PORALG	5,645,613	171,656,903
Total	26,519,063	468,405,141

The decrease in the Funds due to Implementing Agencies is due to a review made by the management on the probability of recognized obligation to continue existing whose likelihood has been assessed to be minimal and, therefore, unlikely that there will be a cash outflow. Since these payables were directly related with recognized receivables under BOT Road Toll Cash Collection A/C, the same has been reversed as can be read under Note 13 herein. The remaining balances are still considered as fair and payable to Implementing Agencies.

18 - Other Payables

Creditors	55,680	-
HESLB Payable	0	3
MOWTC- Road Classification Costs	359,361	393,154
Staff Gratuity Payable	3,864	-
W/ Tax on RFB Staff salary	378	-
Withholding Tax	13,133	-
Total	432,415	393,157

19 - Other provisions and Accruals

IFMIS Support	1,982	1,982
TTCL Bills	4,359	4,523
TPA Link	1,256	1,256
Audit Expenses	1,520,901	1,113,688
Advertising	52,383	101,594
Annual Report Printing Expenses	39,999	72,599
Security	4,720	0
Food and Refreshment	1,985	0
Travelling on Duty	4,504	2,675
Consultancy Service	3,888,883	695,382
Training Expenses	28353	51,004
Land rent Expense	2,500	2,500
Electricity	2,235	2,619
Stationery	2,994	28,077
Staff Remuneration	0	33,461
Newspapers and Periodicals	347	0
Postal Charges	0	522
Service of Technical Equipment	1003	9,197
Office water	0	359
Total	5,558,404	2,121,439

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

	30.06.2018 TZS'000	30.06.2017 TZS'000
Note 20: Contributed Capital		
Net Assets from Ministry responsible for Road as start of RFB	56,843	56,843
Addition for the year	-	-
Total	56,843	56,843
Note 21: Development Partners Support		
Opening balance	99,288	99,288
Addition for the Year	-	-
Total	99,288	99,288
Note 22 - Revaluation Surplus		
Opening balance	290,657	290,657
Addition for the Year	-	-
Adjustment to adopt cost model	-290,657	-
Total	0	290,657
Note 23 : Accumulated Surplus		
Adjustment for revaluation reserves to adopt cost model	290,657	
Add: Prior period adjustment	7,805,872	
	22,060,707	-17,922,260
Add: Surplus/(Deficit) for the year		
Opening balance as at beginning of the financial year	68,255,284	86,177,545
Closing Balance	94,412,520	68,255,285
The prior period adjustment relates to revenues received during the reporting period but whose details from TRA could not be availed on time to enable proper treatment of the same in the books of accounts.		

Note 24 : Budgetary Performance

ROADS FUND BOARD

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

Total Revenue

Budgeted revenue from non-exchange transactions was TZS 1,003.3 billion and actual revenue amounted to TZS 878.140 billion which is under collection TZS 125,241 billion representing 12%. Reasons for this attainment level include inadequate performance in the revenue collection function. Also revenue from exchange transactions relating to interest income and disposal of assets were TZS 75.188 million and TZS 4.56 million respectively being earned interest and proceeds from disposal of various assets. A budget of TZS 211 million in terms of rent income could not be realized due other reasons beyond the control of the Board

Disbursements To implementing Agencies

Budgeted disbursement to Implementing Agencies stood at TZS 1,010.9 billion and actual disbursement amounted to TZS. 857,044 billion falling short by TZS. 153,874 billion which is equivalent to an average of 15%. Reasons for this attainment is largely dependent on the levels of collections made.

Other Capital Expenditure

A budget for capital expenditure was TZS 2.294billion and actual expenditure has amounted to Tzs 0.674billion representing an under expenditure of Tzs 1.619 billion equivalent to 71%. Activities under this plan were related to acquisition of a motor vehicle for RFB operations, construction of staff residential houses and intangible assets. Reasons for this level of attainment is largely caused by non-start of the construction of staff residential houses, a project which has been shifted to the next financial year

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

Note 25 : Significant Variances Explained (Final budget Vs Actual amounts): RFB Administration		
Sn	Detail	Reason
1	Advertisement & Publication (60%)	Fewer advertisements and publications than expected
2	Fuel for Generator (78%)	Fewer power breakdowns than expected
3	Gift, prizes & donations (58%)	fewer events calling giving of gifts, prizes and donations
4	Postal charges (49%)	Fewer mailing and postal services
5	Rent - Conference facility (54%)	Fewer events engaged than expected
6	Repair and Maintenance - RFB Building (52%)	Repairs and maintenance activities were on the lower side than expected
8	Water (70%)	This was a first time use of water and there was no sound basis for budgeting hence an estimate was made to cover this code

Description	Note	Original Approved Budget	Reallocation/ Adjustments	Revised/Final Budget	Actual Amount	Variance	
		TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	%GE
DESCRIPTION							
11 - Roads Fund Board Administration	25						
Advertisement & Publication		51,250	-	51,250	20,193	31057	61
Annual subscription fees		25,664	-	25,664	24,286	1,378	5
Audit Expenses		1,470,000	-	1,470,000	1,456,918	13,082	1
Bank Charges and Commissions		19,200	-	19,200	5,897	13,303	69
Board meeting expenses		364,484	-	364,484	336,264	28,220	8
Burial Expenses		6,000	-	6,000	-	6,000	100
Casual and Temporary Laborers		41,144	-10,000	31,144	18,901	12,243	39
Civil Servants		1,065,745	-50,000	1,015,745	943,150	72,595	7
Computer accessories		10,820	-	10,820	9,957	863	8
Consultancy/Stakeholders Meeting		320,790	-	320,790	279,896	61,094	18
Depreciation Expense - Computer Software		-	-	-	39,586	39,586	100
Depreciation Expense - Motor Vehicle		-	-	-	87,676	87,676	100

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

Depreciation Expense - Office Buildings		-	-	93,093	93,093	100
Depreciation Expense - Office Equipment		-	-	309,506	309,506	100
Depreciation Expense - Office Furniture and Fittings		-	-	33,129	33,129	100
Depreciation Expense - Residential Buildings		-	-	15,601	15,601	100
Depreciation Expense - Residential Furniture		-	-	13,083	13,083	100
Diesel	35,880	-	35,880	31,890	3,990	11
Director's fees	55,000	-	55,000	50,717	4,283	8
Electricity	36,230	-	36,230	33,086	3,144	9
Employer Contribution - LAFP	16,987	-	16,987	14,235	2,752	16
Employer Contribution - NSSF	13,556	-	13,556	13,479	77	1
Employer Contribution - PPF	28,202	-	28,202	27,883	319	1
Employer Contribution - PSPF	25,848	-	25,848	25,741	107	0
Extra duty allowance	156,960	-25,000	131,960	127,848	4,112	3
Food & refreshments	38,000	20,000	58,000	57,505	495	1
Fuel for Generator	34,500	-	34,500	7,662	26,838	78
Gift, prizes & donations	18,720	-	18,720	7,800	10,920	58
Government Employees Provident Fund (GEPF)	3,570	-	3,570	3,358	211	6
Gratuity Expense	92,328	-25,000	67,328	63,242	4,086	6
Health insurance	31,018	-	31,018	30,334	684	2
Hiring of Motor vehicles	6,000	-	6,000	5,578	422	7
Honoraria	54,100	-	54,100	54,100	-	-
Housing allowances	28,800	5,000	33,800	33,600	200	1
Insurance	7,000	-3,000	4,000	198	3,802	95
Internet service	49,200	-4,000	45,200	44,664	536	1
Leave travel	86,862	-6,000	80,862	80,794	68	0.1
Loss on disposal of non-current asset	-	-	-	17,714	-17,714	100
Miscellaneous (Contingency) expenses	5,700	-	5,700	4,372	1,328	23
Office cleaning	36,000	-6,000	30,000	26,465	3,535	12
Office consumable	35,000	-	35,000	32,622	2,378	7

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

Operational and Consultancy Services	4,227,000	-310,000	3,917,000	3,083,197	833,803	21
Outfit Allowance	4,500	-	4,500	1,500	3,000	67
Outsource maintenance contract services	63,868	273,000	336,868	332,801	4,067	1
Per Diem - Foreign	54,096	40,000	94,096	93,952	144	0
Per Diem - Local	542,200	-	542,200	466,051	76,149	14
Per diem Board members Local	14,000	10,000	24,000	23,613	387	2
Per-Diem Board Members Foreign	13,868	-	13,868	13,800	68	0
Periodicals and news papers	7,200	-	7,200	6,372	828	12
Planning and Monitoring Expenses	653,580	-	653,580	623,116	30,464	5
Postal charges	8,600	-	8,600	4,355	4,245	49
Printing, Annual report, newsletter	40,000	-	40,000	30,448	9,552	24
Professional and Technical Training	180,320	20,000	200,320	198,024	2,296	1
Rent - Conference facility	25,100	-	25,100	11,539	13,561	54
Repair and Maintenance - Motor Vehicle	32,000	10,000	42,000	41,433	567	1
Repair and Maintenance - RFB Building	50,000	-	50,000	24,097	25,903	52
Repair and Maintenance - Fire Extinguisher	5,600	-	5,600	490	5,110	91
Repair and Maintenance - Technical Equipment	70,000	-	70,000	68,709	1,291	2
Security Services	66,000	-15,000	51,000	42,417	8,583	17
Telephone & Faxes	16,700	-	16,700	15,884	816	5
Tender Board Expenses	44,525	-	44,525	44,393	132	0
Transport - Foreign	34,670	20,000	54,670	45,844	8,826	16
Transport - Local	83,100	50,000	133,100	120,369	12,731	10
Transport allowance	310,182	-24,000	286,182	283,406	2,776	1
Utilities	85,680	-10,000	75,680	69,335	6,345	8
Water	36,000	-	36,000	10,800	25,200	70
Other Capital Expenditure	2,294,505	-	2,294,505	674,909	1,619,596	71
Total	13,336,115		13,336,115	10,137,966	3,198,149	24

ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

Note 26 : Intangible Assets

INTANGIBLE ASSET FY 2017/18						
Description	EPICOR	IBM SPSS	RFB MISS	VM WARE	OTHERS	TOTAL
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Percentage of Amortization	37.5%	37.5%	37.5%	37.5%	37.5%	37.5%
Cost Valuation as at 01/07/2017	7,200	11,100	41,438	8,900	25,768	94,406
Additions during the year						
Disposal during the year						
Cost as at 30.06.2018	7,200	11,100	41,438	8,900	36,924	105,562
Acc. Amortization as at 01.07.2017	7,173	11,105	37,229	8,904	4,175	68,587
Adjustment on Amortization following revaluation	- 4,473	- 6,944	- 21,689	- 5,566	- 35,950	- 74,622
Acc Amortization as at 01.07.2017	2,700	4,162	15,540	3,338	31,775	6,035
Amortization charge for the year	2,700	4,163	15,539	3,338	13,846	39,586
Amortization on disposal for the year						
Accumulates Amortization as at 30.06.2018	5,400	8,326	31,078	6,676	23,509	74,989
Carrying amount as at 30.06.2018	1,800	2,774	10,360	2,224	2,259	19,417
Carrying amounts at at 30.06.2017	27	5	4,209	4	21,593	25,819



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS OF THE MINISTRY OF WORKS, TRANSPORT AND
COMMUNICATION (VOTE 98) FOR FUNDS RECEIVED FROM ROADS FUND
BOARD FOR THE YEAR ENDED 30TH JUNE, 2018

Controller and Auditor General,
National Audit Office,
16 Samora Machel Avenue,
P.O. Box 9080,
11101 Dar es Salaam, Tanzania.
Tel: 255 (022) 2115157/8,
Fax: 255 (022) 2117527
E-mail: ocag@nao.go.tz
Website: www.nao.go.tz



March, 2019

AR/RF/MOW/2017/2018



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

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS OF THE MINISTRY OF WORKS, TRANSPORT AND
COMMUNICATION (VOTE 98) FOR FUNDS RECEIVED FROM ROADS FUND
BOARD FOR THE YEAR ENDED 30TH JUNE, 2018**

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March, 2019

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1.5. Audit Methodology	Error! Bookmark not defined.
2.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL	3

Abbreviations

CAG	Controller and Auditor General
ISSAIs	International Standard of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
PAA	Public Audit Act No.11 of 2008
PAR	Public Audit Regulation, 2009
MDAs	Ministries, Departments and Agencies
PAC	Public Accounts Committee
PFA	Public Finance Regulations, 2009
PPA	Public Procurement Act, 2011
PPR	Public Procurement Regulations, 2013
RFB	Roads Fund Board
RF	Roads Fund

1.0 GENERAL INFORMATION

1.1. Mandate

The statutory duties and responsibilities of the Controller and Auditor General are given under Article 143 of the Constitution of the URT of 1977 (revised 2005) and in Sect. 10 (1) of the Public Audit Act No.11 of 2008.

1.2. Vision, Mission and Core Values

Vision

To be a highly regarded Institution that excels in Public Sector Auditing.

Mission

To provide high quality audit services that improves public sector performance, accountability and transparency in the management of public resources.

Core Values

In providing quality services, NAO is guided by the following Core Values:

- ✓ **Objectivity:** We are an impartial public institution, offering audit services to our clients in unbiased manner.
- ✓ **Excellence:** We are professionals providing high quality audit services based on standards and best practices.
- ✓ **Integrity:** We observe and maintain high standards of ethical behavior, rule of law and a strong sense of purpose.
- ✓ **People focus:** We value, respect and recognize interest of our stakeholders.
- ✓ **Innovation:** We are a learning and creative public institution that promotes value added ideas within and outside the institution.
- ✓ **Results Oriented:** We are an organization that focuses on achievement based on performance targets.
- ✓ **Team work Spirit:** We work together as a team, interact professionally, share knowledge, ideas and experiences.

We do this by:

- Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- Helping to improve the quality of public services by supporting innovation on the use of public resources;
- Providing technical advice to our clients on operational gaps in their operating systems;
- Systematically involve our clients in the audit process and audit cycles; and
- Providing audit staff with appropriate training, adequate working tools and facilities that promote their independence.

© This audit report is intended to be used by Government Authorities. However, upon receipt of the report by the Speaker and once tabled in Parliament, it becomes a public record and its distribution may not be limited.

1.3. Audit Objectives

To obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and are prepared in accordance with an applicable financial reporting framework; and whether laws and regulations have been complied with.

The audit was conducted on a sample basis; therefore, the findings are confined to the extent that records, documents and information requested for the purpose of the audit were made available to me. Audit findings and recommendations arising from the examination of the accounting records, appraisal of the activities as well as evaluation of the Internal Control System which requires management's attention and actions, are set out in the management letter issued separately to the Management of the Ministry of Works, Transport and Communication (Works).

As an auditor, I am not required to specifically search for fraud and therefore, my audit cannot be relied upon to disclose all such matters. However, my audit was planned in such a way that I would have reasonable expectations of detecting material errors and misstatement in the financial statements resulting from irregularities including fraud. The responsibility for detection, prevention of irregularities and the maintenance of an effective and adequate system of internal control rests with the management of the Ministry of Works, Transport and Communication (Works 98).

1.4 Audit Methodology

My audit approach included tests of the accounting records and other procedures in order to satisfy the audit objectives. My audit procedures included the following:

- Planning the audit to identify and assess risks of material misstatement, whether due to fraud or error, based on an understanding of the entity and its environment, including the entity's internal controls.
- Obtain sufficient appropriate audit evidence about whether material misstatements exist, through designing and implementing appropriate responses to the assessed risks.
- Form an opinion on the financial statements based on conclusions drawn from the audit evidence obtained.

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, 2018

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, 2018, and statement of cash flow for the year then ended, and notes to the financial statements.

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

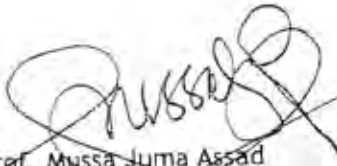
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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.


Prof. Mussa Juma Assad
CONTROLLER AND AUDITOR GENERAL



March 2019

National Audit Office of Tanzania,
P.O. Box 9080,
11101 Dar es Salaam, Tanzania.
Tel: 255 (022) 2115157/8
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**UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION (VOTE 098)**

**FINANCIAL STATEMENTS – Road Fund
FOR THE YEAR ENDED 30th JUNE, 2018.**

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**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION (VOTE 098)**

**STATEMENT BY THE MINISTER FOR WORKS, TRANSPORT AND COMMUNICATION
FOR THE YEAR ENDED 30TH JUNE, 2018**

1. INTRODUCTION

The Ministry of Works, Transport and Communication was established in November, 2015 by the President of the United Republic of Tanzania, His Excellency Dr. John Pombe Joseph Magufuli, as per Article 55 (1) of the Constitution of the United Republic of Tanzania, 1977 through the Presidential Instrument Vide Government Notice No. 144 of 22nd April, 2016. The overall responsibility of the Ministry of Works, Transport and Communication (Works) is to administer construction policies and their implementation by ensuring that roads, bridges, airports, ferries, government buildings, electrical and mechanical works are well developed and maintained so that the services provided meet the expectations of its stakeholders.

The Works sector plays a great role in achieving a coherent vision for economic development and poverty alleviation. The impact of having a well developed and reliable road and airports network: lower domestic production costs through timely delivery, enhancing economies of scale in the production process and creating economic opportunities.

2. VISION

To have modern and sustainable public infrastructure that facilitates socio-economic development of Tanzania.

3. MISSION

To provide modern and sustainable construction works through facilitation of Roads, Airports, Ferries, Government Buildings, Electrical and Mechanical works that meet the needs of the public.

4. CORE VALUES

The core values of the Ministry of Works, Transport and Communication (Works) include Innovativeness, Professionalism, Transparency and Accountability, Value for Money, Customer friendly and Environment friendly.

5. OVERALL PERFORMANCE OF THE MINISTRY DURING THE YEAR 2017/18

The overall performance of both recurrent and development activities during the financial year 2017/18 was good as a number of roads, airports, ferries and Government buildings projects were executed according to the plans and targets as defined in the Strategic Plan of 2016/17 - 2020/21 and Annual Performance Agreement.

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION (VOTE 098)**

**STATEMENT BY THE MINISTER FOR WORKS, TRANSPORT AND COMMUNICATION
FOR THE YEAR ENDED 30TH JUNE, 2018 (Continued)**

This enabled the government to achieve the National Development Agenda as stipulated in CCM Election Manifesto of 2015, Five Year National Development Plan Phase II of 2016/17 - 2020/21 and other National and Sectoral Policies.

In view of the above, the Ministry of Works, Transport and Communication (Works) has been making close supervision and monitoring of development projects with a view to improve the overall performance of the sector. On the other hand, the Ministry instituted measures to control expenditure in recurrent activities whereby the allocation of funds and subsequent expenditure was directed to areas that were planned and identified as critical for the purpose of attaining the Ministry's objectives. Some of the identified expenditure items include administrative and office operations, capacity building in terms of training for Ministry's staff and procurement of tools and equipment, staff welfare, provision of subventions to institutions under the Ministry and enhancement of regional integration and international cooperation. The assessment of the overall expenditure on the released funds indicates that value for money was realized.

6. CHALLENGES

The main challenge encountered by the Ministry during the implementation of development projects has been the increase of arrears of unpaid claims from Contractors and Consultants. Despite the Government efforts to provide funds, the amount released could not keep up with pace of the value of the new works produced, hence the noted increase of arrears. Furthermore, inadequacy of funds in Government has continued to affect other Government commitments including vehicles maintenance and other services rendered by the Ministry. Other challenges encountered by the Ministry included vehicle overloading, encroachment of road reserve and road traffic congestion in major cities of Dar es Salaam, Arusha, Mwanza and Mbeya.

7. STRATEGIES TO ADDRESS CHALLENGES

Measures undertaken by the Ministry to address the challenges include prioritization of resource allocation to the ongoing projects with contractual liabilities and projects with Development Partners commitments that require Government counterpart funds. Other measures include continuous implementation of various projects to reduce congestion in major cities of Dar es Salaam, Arusha, Mwanza, Mbeya and Dodoma. The Ministry has also enhanced overload control measures and is increasing focus in road safety and environmental monitoring programmes as well as management of the roads reserve throughout the country.

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION (VOTE 098)

STATEMENT BY THE MINISTER FOR WORKS, TRANSPORT AND COMMUNICATION
FOR THE YEAR ENDED 30TH JUNE, 2018 (Continued)

8. FUTURE OUTLOOK / WAY FORWARD

The Ministry is exploring other sources of financing infrastructure development apart from the Government budget. In order to address and minimize the impact of financial constraints, the Ministry plans to utilize private financing through Public Private Partnerships (PPP) arrangement and efforts are underway to realize construction of various development projects through this arrangement.

.....
Eng. Isack Aloyce Kamwelwe (MP)
Minister for Works, Transport and Communication

.....
Date

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION (VOTE 098)**

**STATEMENT BY THE PERMANENT SECRETARY (WORKS)
FOR THE YEAR ENDED 30TH JUNE, 2018**

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, 2018 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. 4 of 2017/18 on the Preparation of Financial Statements and Other Financial Reports, other Accounting Circulars as well as International Public Sector Accounting Standards (IPSAs - Accrual Basis).

2. IMPLEMENTATION OF THE PLAN AND BUDGET FOR FINANCIAL YEAR 2017/18

The overall performance of the Ministry in the financial year 2017/18 was generally good. Road condition assessment at the end of June 2018 indicated that 37% of the road network was ranked good, 48% was ranked fair and only 15% was ranked poor.

With regard to upgrading of trunk roads to bitumen standard, 226.08 km were upgraded against the planned 720.08 km which is equivalent to 31.39 %. On rehabilitation of roads to bitumen standard, 97.28 km were rehabilitated against the planned 150.07 km, equivalent to 64.82%. On the other hand, the 24% annual targeted plan for construction/rehabilitation 12 bridges was achieved at 10%.

With regard to regional roads upgrading/rehabilitation to bitumen standard, 28.84 km were upgraded/rehabilitated against the planned 99 km, equivalent to 29.13%. On the rehabilitation to gravel standard, 443.74 km were rehabilitated against the planned 1,158 km, which is 38.32% of annual plan. The 39% annual targeted plan for construction/rehabilitation of 24 bridges was achieved at 12.6%.

By the end of June 2018, 11,573.2 km out of planned 12,152.7 km of trunk roads, equivalent to 95% were maintained. Similarly 1,334 bridges out of planned 1,390 bridges on trunk roads were maintained, equivalent to 96%. On the other hand 23,316.4 km out of planned 25,277.1 km of regional roads were maintained, equivalent to 92%. Similarly, 1,345 bridges out of planned 1,509 bridges on regional roads were maintained, equivalent to 89%. The overall physical performance of the maintenance activities for roads and bridges as at 30th June, 2018 was at

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION (VOTE 098)**

**STATEMENT BY THE PERMANENT SECRETARY (WORKS)
FOR THE YEAR ENDED 30TH JUNE, 2018 (continued)**

92% level of completion that is 34,889.6 km and 2,679 bridges against the planned target of 37,429.7 km and 2,899 bridges, respectively.

In the financial year 2017/18, the Ministry continued with implementation of planned activities in respect of construction and upgrading/rehabilitation works of airport projects. Among the works undertaken were construction of the new Geita Airport and Julius Nyerere International Airport Terminal III building reached 72% and 75% of completion stage respectively.

With regard to rehabilitation and upgrading of airports, the planned activities at four (4) airports implemented were: construction of Aviation Control Tower and cargo building, upgrading of runway and other infrastructure at Mwanza Airport which attained 75% of completion; rehabilitation of runway, taxiway and apron at Tabora Airport phase I which was completed; construction of terminal building at Songwe Airport which reached 77% against targeted 80% of achievement; and extension of runway at Dodoma Airport which was completed. Also, the Ministry started preparation for construction work at the new Msalato Airport, and construction /rehabilitation at Shinyanga, Kigoma, Tabora, Mtwara, Songea and Musoma airports.

During the financial year 2017/18, the Ministry completed construction of a new ferry for Kigongo – Busisi (MV Mwanza) and construction of ferry ramps for Lindi – Kitunda crossing. The Ministry also completed installation of electronic ticketing at Magogoni – Kigamboni and major rehabilitation of MV Pangani II which was shifted to Lindi region to provide services between Lindi and Kitunda. Other ferry projects which were executed by the end of June, 2018 that are in progress were rehabilitation of MV Utete and Construction of new ferry for Kayenze – Bezi in Mwanza region.

With regard to Government buildings, the Ministry completed rehabilitation of twenty (20) houses for Government Leaders and one (1) State lodge. The Ministry also continued with the construction of fifty (50) houses for Government Leaders in Dodoma city which was at design stage. Other works include construction of Chamwino State Lodge, construction of 3 Houses for Judges in Mtwara (1), Shinyanga (1), Kilimanjaro (1) and Dar es Salaam (1) regions and construction of 644 Residential Flats for Magomeni Quarters at Kinondoni in Dar es Salaam city.

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION (VOTE 098)**

**STATEMENT BY THE PERMANENT SECRETARY (WORKS)
FOR THE YEAR ENDED 30TH JUNE, 2018 (continued)**

The Ministry also 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 2017/18, the Ministry through Vehicle Load Control Programme operated 48 permanent weighbridge stations out of which two (2) are weigh in motion stations. The Ministry also operates 22 mobile weighbridges. Furthermore, road safety and environment protection training for the Ministry's staff and other stakeholders were conducted.

Constraints and Challenges

The main challenge encountered during the financial year 2017/18 was inadequate financial resource to implement the planned projects and activities. Development funds released up to the end of June, 2018 were Shillings 2,221,074,556,956.04 which is equivalent to 90% of the total approved budget of Shillings 2,464,562,174,967.60. With regards to Recurrent budget Shillings 34,761,246,019.97 equivalents to 97.8% of the approved budget of Shillings 35,565,163,330.77 were released.

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 contractual liabilities of Shillings 1,106,533,703,854.65. These liabilities comprised of Shillings 833,000,944,462.02 and Shillings 273,532,759,392.63 for TANROADS and the Ministry respectively. Despite of inadequate financing compared to the requirements during financial year 2017/18, payments were steady and most of the contractors and consultants of road works who had claims on outstanding payments were paid resulting into speedy implementation on planned activities. The results of this trend was increased work output and hence, increased payment in arrears.

Strategies to Overcome Challenges

In the financial year 2017/18, 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 from the Government through Treasury, Development Partners and Private Sector. Due to inadequate financial resources, the Ministry is working on soliciting other sources of financing infrastructure development projects to supplement the annual Government budget. One of the

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION (VOTE 098)**

**STATEMENT BY THE PERMANENT SECRETARY (WORKS)
FOR THE YEAR ENDED 30TH JUNE, 2018 (continued)**

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 as revised 2016. The Ministerial Tender Board members are as follows:

No.	Name	Position	Qualification
1	Dr. William M. Nshama	Chairperson	PhD (Mechanical Engineering)
2	Ms. Elizabeth F. Tagora	Member	MA (Transport Management)
3	Ms. Segolena S. Francis	Member	MA (Mass Communication)
4	Mr. Erasmus T. Rugarabamu	Member	BA (Public Administration)
5	Mr. Projest R. Pastory	Member	CPA(T), MBA (Finance)
6	Ms. Happiness N. Mgalula	Member	MSc (Highways Engineering)
7	Mr. Anselm D. Mwampoma	Member	LLB
8	Ms. Shose T. Minja	Secretary	CPSP, MBA (Procurement & Logistic Mgt)

The functions of the Ministerial Tender Board are as stipulated in Section 33 of the PPA No. 7 of 2011 as revised 2016 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.

4. EMPLOYEES WELFARE

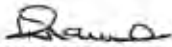
The Ministry provides a number of services to cater for employees welfare which include improving the working environment and enrichment of staff motivation. During the financial year 2017/18, eleven (11) staff were recruited. Furthermore, in improving employees performance, 64 employees were trained in different disciplines of whom 20 employees attended long term courses and 44 employees attended short term courses. Moreover, in implementing the Government decision of transferring its headquarters to Dodoma City, 107 employees out of 197 were transferred to Dodoma up to end of June, 2018.

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION (VOTE 098)

STATEMENT BY THE PERMANENT SECRETARY (WORKS)
FOR THE YEAR ENDED 30TH JUNE, 2018 (continued)

5. CROSS - CUTTING ISSUES

With regard to the 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 2017/18 the Ministry facilitated two (2) employees who are living with HIV/AIDS with food supplement and drugs. The Ministry also continued to facilitate awareness campaign on HIV/AIDS, road safety and environment protection to its stakeholders.



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

27/09/2018

.....
Date

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION (VOTE 098)

STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR THE YEAR ENDED 30TH JUNE, 2018

The Management of the Ministry of Works, Transport and Communication (Vote 098) 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, risk managing 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, 2018. 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. 7 of 2011 and its Regulations of 2013 and the 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
Permanent Secretary and Accounting Officer

27/09/2018

.....
Date

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION (VOTE 098)**

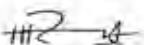
**STATEMENT OF DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTS
UNIT
FOR THE YEAR ENDED 30TH JUNE, 2018**

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 stated earlier.

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 098) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June, 2018 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 (Vote 098) as on that date and that they have been prepared based on properly maintained financial records.

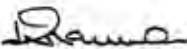

.....
CPA Project R.K Pastory –ACPA 1908
Chief Accountant

.....
Date

UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION (VOTE 098)

STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 30th JUNE, 2018.

		2017/18 Tshs (Million)	2016/17 Tshs (Million)
RECEIPTS			
Roads Funds Release	NOTES 15	62,692.94	52,270.50
Total Receipts		62,692.94	52,270.50
PAYMENTS			
Supplies and Consumable goods	16	1,000.69	569.10
Current transfer and Subsidies	17	50,619.71	38,203.71
Monitoring and Other Road Related Activities	18	8,614.98	9,637.01
Purchase/ Construction of Non-Current Assets	19	1,702.78	0.00
Total Payments		61,938.16	48,409.82
Net Increase/decrease in cash and cash equivalent		754.78	3,860.68
Cash and cash equivalent at the beginning of the year		9,051.35	5,190.67
Cash and cash equivalent at the end of the year		9,806.13	9,051.35

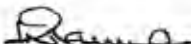

.....
Eng. Joseph M. Nyamhanga
Accounting Officer

27/09/2018
.....
Date

UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION (VOTE 098)

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30th June, 2018

		2017/18 Tzs (Million)	2016/17 Tzs (Million)
CASH FLOW FROM OPERATING ACTIVITIES			
RECEIPTS			
	NOTES		
Road Funds Release		62,692.94	52,270.50
TOTAL RECEIPTS	15	62,692.94	52,270.50
PAYMENTS			
Supplies and Consumable goods	16	1,000.89	569.10
Current Transfer and Subsidies	17	50,619.71	38,203.71
Monitoring and Other Road Related Activities	18	8,614.98	9,637.01
Total Payments		60,235.38	48,409.82
Net Cash Flow From Operating Activities		2,457.56	3,860.68
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase/Construction of Non-Current Assets	19	1,702.78	0.00
Net Cash Flow From Investing Activities		1,702.78	0.00
Increase/(decrease) in cash and cash equivalent		754.78	3,860.68
Cash and cash equivalent at the beginning of the year		9,051.35	5,190.67
Cash and cash equivalent at the end of the year		9,806.13	9,051.35


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

27/09/2018
.....
Date

STATEMENT OF DISTRIBUTION OF FUND FROM ROAD FUND TO MOW - 30 JUNE 2017/2018.

Release No.	DPP			DTES			DR			DSE	TOTAL	ERV No.
	DPP	DTES	DR	Trunk Roads	Regional Roads	DSE	TOTAL	ERV No.				
1	316,610,011.37	277,625,634.00	873,804,514.00	1,841,162,000.00	151,432,164.00	3,460,634,323.37	46069883					
2	340,487,933.13	261,583,537.00	774,808,899.00	1,563,458,000.00	152,948,897.00	3,093,287,266.13	46069884					
3	517,670,771.14	492,846,720.00	1,551,196,100.00	3,224,089,000.00	268,925,480.00	6,054,628,071.14	46069888					
4	354,202,535.90	337,217,200.00	1,061,364,200.00	2,205,997,000.00	183,936,600.00	4,142,717,535.90	46069894					
5	515,991,807.78	491,247,600.00	1,546,162,700.00	3,213,628,000.00	267,953,300.00	6,034,983,407.78	46069896					
6	484,346,918.46	461,120,600.00	1,451,340,500.00	3,016,545,000.00	251,520,300.00	5,664,873,318.46	19504251					
7	438,437,423.75	411,035,900.00	1,274,818,100.00	2,659,651,000.00	226,928,600.00	5,010,871,023.75	19504272					
8	315,457,454.18	300,330,900.00	945,268,000.00	1,964,696,000.00	163,816,900.00	3,689,569,254.18	19504254					
Special	-	-	-	500,000,000.00	-	500,000,000.00	19504275					
Special	-	-	-	1,000,000,000.00	-	1,000,000,000.00	19504274					
9	410,298,868.71	380,623,430.00	1,229,456,000.00	2,555,366,000.00	213,067,300.00	4,798,813,598.71	19504258					
Special	-	-	-	5,376,253,808.00	-	5,376,253,808.00	19504273					
10	382,053,675.91	373,253,200.00	1,174,784,600.00	2,441,736,000.00	203,592,700.00	4,585,420,175.91	19504268					
11	312,066,332.91	297,101,000.00	935,102,100.00	1,943,567,000.00	162,055,000.00	3,649,891,432.91	19504264					
12	352,276,118.53	335,382,600.00	1,055,590,000.00	2,193,995,000.00	182,935,900.00	4,120,179,618.53	19504271					
Special	-	-	-	625,820,300.00	-	625,820,300.00	19504267					
				61,807,943,134.77		61,807,943,134.77						

Add: Road Fund Release No. 12 For YR 2016/17

884,986,261.39

REVENUE AND POLICY AND PLANNING
ROAD FUND DISTRIBUTION FOR FINANCIAL YEAR 2017/18

Project	Funded Activities	Approved Budget 2017/18	Funded Period (Reserve No.)												Total
			1	2	3	4	5	6	7	8	9	10	11	12	
	Support to Road Monitoring and activities, including the Road Safety Program, Road Rehabilitation and Environmental Management and National Roads Master Plan	4,326,000,000.00	130,000,000.00	48,887,387.00	66,000,000.00	78,500,000.00	61,000,000.00	85,000,000.00	113,000,000.00	70,000,000.00	118,000,000.00	117,653,878.84	189,200,000.00	68,000,118.00	1,275,000,000.00
1	Participation in East Africa Cooperation Roads Network Meetings, SACU Road Rehabilitation Programs, COMESA SAC-SADS Transport Free Trade Area, Sub-Saharan Africa Transport Policy - SPATH and elsewhere	\$55,380,000.00	45,000,000.00	73,000,000.00	42,000,000.00	52,800,000.00	39,000,000.00	40,000,000.00	28,000,000.00	39,000,000.00	39,000,000.00	38,000,000.00	-	115,200,000.00	897,960,000.00
2	Contribution of Work Shop (design and Action Plan preparation) and Review of Sector policies	\$40,000,000.00	\$1,818,011.37	79,000,000.00	68,000,000.00	100,000,000.00	100,000,000.00	144,000,000.00	178,000,000.00	146,000,000.00	172,000,000.00	-	-	-	907,000,000.00
3	Preparation of Road Safety Audit Reports for Road Rehabilitation and Road Safety Operational Plan and preparation of roads Fund Programs Reports	120,000,000.00	20,000,000.00	20,000,000.00	-	20,000,000.00	10,000,000.00	10,000,000.00	-	-	-	40,000,000.00	4,000,000.00	-	120,000,000.00
4	Contribution to Road Rehabilitation and participation in Roads and Transport Infrastructure Bodies Meetings	\$4,800,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	1,000,000.00
5	Expenses for preparation and submission on Implementation of work, Budget SAC Sector projects	210,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00
6	Enhance Roads sector Management and Road Safety	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00
7	Training System	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00
8	Contribution to Policy Recommendations for the Ministry of Works, Transport and Communication (Worac) Headquarters	600,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00
9	Udema	1,300,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	1,000,000,000.00
TOTAL		8,443,000,000.00	1,818,011.37	487,813,113.00	1,072,000,000.00	1,472,000,000.00	1,472,000,000.00	1,472,000,000.00	1,472,000,000.00	1,472,000,000.00	1,472,000,000.00	1,472,000,000.00	1,472,000,000.00	1,472,000,000.00	8,443,000,000.00

SUBVITE 2004 TECHNICAL SERVICES DIVISION
ROAD FUND DISTRIBUTION FOR FINANCIAL YEAR 2017/18

S/N	Planned Activities	Approved Budget 2017/18	Road Funds Reference No.												Total	
			1	2	3	4	5	6	7	8	9	10	11	12		
1	Procurement of new ferry for 4th division Spirited and that Island in Lake Malawi	2,376,442,000.00	137,824,814.00	40,000,000.00	142,000,000.00	101,000,000.00	101,000,000.00	300,000,000.00	299,800,000.00	299,000,000.00	15,000,000.00	246,000,000.00	252,000,000.00	100,000,000.00	227,000,000.00	2,276,424,814.00
2	Construction of new ferry service for Spirited and that Island Malawi	1,450,000,000.00	20,000,000.00	190,000,000.00	200,000,000.00	500,000,000.00	145,000,000.00	145,000,000.00	140,000,000.00	70,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	1,320,000,000.00
3	Renovations of ferry	400,000,000.00	40,000,000.00	-	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	-	-	-	-	-	400,000,000.00
4	Ferry related Administrative Activities, Monitoring and evaluation of ferry projects	571,476,000.00	40,000,000.00	71,400,000.00	50,000,000.00	37,217,250.00	41,247,800.00	41,247,800.00	41,247,800.00	41,247,800.00	41,247,800.00	41,247,800.00	41,247,800.00	41,247,800.00	41,247,800.00	371,400,000.00
	Total	4,800,000,000.00	217,824,814.00	211,400,000.00	492,000,000.00	437,217,250.00	481,247,800.00	481,247,800.00	481,247,800.00	481,247,800.00	481,247,800.00	481,247,800.00	481,247,800.00	481,247,800.00	481,247,800.00	4,423,244,814.00

REMARK: R60 ROAD SAFETY AND ENVIRONMENT
 FUNDING DISTRIBUTION FOR FINANCIAL YEAR 2017/18

Sl. No.	Planned Activities	Approved Budget 2017/18	1	2	3	4	5	6	7	8	9	10	11	12	Total
1	Commissioning of an Electronic System for Road Accident Data (E-Road Accident Data System) and CCTV cameras	140,000,000.00			100,000,000.00	100,000,000.00									140,000,000.00
2	Installation of the weight in motion weighbridge to capture the GPR contribution data centre	662,873,000.00		100,000,000.00											662,873,000.00
3	Purchase and installation of Pilot Reproductive camera along TN25M	400,000,000.00		100,000,000.00											400,000,000.00
4	Commissioning of Road Inspection Stations (CRIS) along the Central Corridor and Star Corridor	800,000,000.00	100,000,000.00												800,000,000.00
5	Construction of Road Safety Campaigns	100,000,000.00													100,000,000.00
6	Construction of Road Safety Aids in Northern Corridor	100,000,000.00													100,000,000.00
7	Road Environmental Monitoring and Alert	100,000,000.00													100,000,000.00
8	Develop Environmental Information Management System (EIMS) and conduct ISO 28000 testing	100,000,000.00													100,000,000.00
9	Participate in local and international road safety awareness training as road inspector safety	30,000,000.00													30,000,000.00
10	Conduct Professional training on road inspection safety aids local control	100,000,000.00													100,000,000.00
11	Monitoring and evaluation of roads	100,000,000.00													100,000,000.00
12	Monitoring and evaluation of roads	100,000,000.00													100,000,000.00
13	Monitoring and evaluation of roads	100,000,000.00													100,000,000.00
Total		3,277,214,500.00	20,417,000.00	1,124,400,000.00	257,400,000.00	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00	3,277,214,500.00

SUPPLEMENTARY STATE DEVELOPMENT DIVISION - (TRUCK INDUSTRY)
ROAD FUND DISTRIBUTION FOR FINANCIAL YEAR 2017/18 (Continued)

2250	Consultancy Services for Feasibility Study and Detailed Design of Escape for Long Street Corridor and Crossing Levels along Major Trunk Road	250,000,000.00	19,308,117.00	11,428,174.11	23,459,375.47	10,288,622.63	20,277,662.03	22,272,815.00	-9,043,648.14	-14,896,626.85	18,867,860.34	14,052,044.85	54,130,017.14	18,109,276.88	205,028,078.88	TAHRODAB
2260	Computer Software for Design of road projects and Transport/Transit Feasibility Study, Detailed Engineering design and Preparation of tender documents for transport projects along major trunk roads along	95,000,000.00	8,033,467.29	6,619,614.47	14,283,141.88	8,777,000.56	14,226,726.22	13,353,648.31	11,729,263.88	8,033,662.11	11,228,811.42	10,817,216.75	8,292,268.28	8,118,087.23	137,918,077.28	TAHRODAB
2265	Major Trunk Road - South West	500,000,000.00	26,178,224.87	20,692,248.27	47,810,472.84	32,378,485.26	47,455,864.03	44,545,630.04	35,127,672.28	29,817,317.79	37,795,964.72	36,497,869.19	29,320,854.28	37,368,805.16	475,651,837.68	TAHRODAB
2268	Feasibility Study and Detailed Design of Trunk Road - Major Trunk Road	348,000,000.00	19,278,182.26	18,025,624.78	39,323,021.86	22,151,026.87	39,270,069.15	26,287,028.43	29,826,817.76	19,728,714.11	25,885,061.02	24,819,071.02	15,516,566.81	22,031,292.24	288,018,283.38	TAHRODAB
2269	Consultancy Services for Feasibility Study and Detailed Design of Upgrade - Uptake - Kibera - Upper - Uptake - Kibera (087 km)	700,000,000.00	48,192,238.15	34,478,812.31	71,416,170.42	49,864,277.86	71,193,878.02	88,434,440.00	58,691,528.42	48,118,310.58	58,033,877.08	64,808,853.72	43,081,381.42	46,858,418.77	697,277,768.63	TAHRODAB
2270	Consultancy Services for Feasibility Study, Detailed Engineering Design and Preparation of Tender Documents for Construction of Upgrade - Uptake - Kibera to Kibera - Kibera	100,000,000.00	3,188,644.81	4,810,448.64	3,859,094.00	8,819,271.26	9,481,168.81	8,693,128.07	7,828,824.49	6,026,514.74	7,747,076.94	7,211,473.88	8,145,170.80	6,478,021.84	84,010,271.84	TAHRODAB
2280	Consultancy Services for Feasibility Study and Detailed Engineering Design and Preparation of Tender Documents for Construction of Upgrade - Uptake - Kibera to Kibera - Kibera	600,000,000.00	21,422,178.25	18,441,789.18	30,096,279.36	20,056,488.20	37,664,662.24	35,826,024.02	31,363,117.83	23,210,268.36	30,188,337.78	31,641,855.32	22,869,683.47	28,815,167.34	360,041,486.90	DN
2285	Major Trunk Road - South West	170,000,000.00	8,124,828.31	7,837,714.19	18,187,800.86	11,075,022.09	18,128,024.58	15,143,514.21	13,363,458.88	8,864,377.06	12,839,028.41	12,228,605.81	9,274,260.41	11,018,848.12	184,873,831.07	DN
2290	Consultancy Services for Feasibility Study and Detailed Engineering Design and Preparation of Tender Documents for upgrading of Major Trunk Road - Major Trunk Road	400,000,000.00	21,422,178.25	18,441,789.18	30,096,279.36	20,056,488.20	37,664,662.24	35,826,024.02	31,363,117.83	23,210,268.36	30,188,337.78	31,641,855.32	22,869,683.47	28,815,167.34	340,041,486.90	TAHRODAB
2295	Major Trunk Road - South West	600,000,000.00	21,422,178.25	18,441,789.18	30,096,279.36	20,056,488.20	37,664,662.24	35,826,024.02	31,363,117.83	23,210,268.36	30,188,337.78	31,641,855.32	22,869,683.47	28,815,167.34	340,041,486.90	TAHRODAB
2300	Consultancy Services for Feasibility Study, Detailed Engineering Design and Preparation of Tender Documents for upgrading of Major Trunk Road - Major Trunk Road	80,000,000.00	2,817,827.41	2,305,224.82	4,701,041.20	2,767,814.83	4,748,884.41	4,844,460.06	3,812,187.22	2,801,862.31	3,171,026.47	2,655,228.52	2,870,194.63	3,229,865.92	47,658,188.80	TAHRODAB
2305	Major Trunk Road - South West	20,000,000.00	2,817,827.41	2,305,224.82	4,701,041.20	2,767,814.83	4,748,884.41	4,844,460.06	3,812,187.22	2,801,862.31	3,171,026.47	2,655,228.52	2,870,194.63	3,229,865.92	47,658,188.80	TAHRODAB

REMARK: 2001 ROADS DEVELOPMENT DIVISION - (TRUNK ROAD)
ROAD FUND DISTRIBUTION FOR FINANCIAL YEAR 2017/18 (Continued)

2206	Consultancy Services for Feasibility Study and Detailed Design of Mangrove Drainage (1.7 km)	8,000,000.00	267,192.14	250,122.48	478,104.73	526,791.86	919,519.84	481,498.30	299,128.74	277,258.84	260,873.89	267,028.14	333,896.89	4,256,318.57	TAARROADS
2207	Consultancy Services for Feasibility Study and Detailed Design of Mangrove Drainage (1.1 km)	170,000,000.00	8,048,908.14	7,283,794.26	18,167,869.86	11,075,659.69	18,118,048.84	15,145,919.27	13,303,458.54	12,850,020.81	12,258,626.51	8,758,266.45	11,673,644.72	144,517,831.07	TAARROADS
2208	2208 211 km	400,000,000.00	24,100,641.86	20,747,221.45	42,844,576.54	29,318,668.73	47,710,330.63	40,031,027.04	34,214,028.06	31,561,848.82	29,431,822.29	20,805,109.82	28,165,042.28	351,646,872.08	TAARROADS
2209	Consultancy Services for Feasibility Study and Detailed Design of Mangrove Drainage (0.5 km)	800,000,000.00	28,724,224.87	27,000,248.23	47,010,472.04	32,628,182.28	47,405,981.22	44,648,829.24	38,427,872.22	37,776,334.72	35,007,388.15	26,700,854.26	33,768,226.12	425,091,857.88	TAARROADS
2209	Addressing Problems and Land Acquisition for Development Projects (Contract)	1,500,000,000.00	51,426,601.79	70,870,874.89	144,726,832.72	88,031,020.17	144,496,161.52	130,118,176.52	118,648,024.14	114,173,669.58	109,814,602.22	87,700,887.01	98,462,820.31	1,282,187,647.00	TAARROADS
2209	Consultancy Services for Feasibility Study and Detailed Design of Mangrove Drainage (4.50 km)	1,800,000,000.00	13,256,448.13	48,174,326.44	80,200,848.87	85,152,210.81	84,071,026.12	78,503,289.44	38,023,347.42	78,420,288.44	72,114,728.26	57,481,708.69	64,729,818.36	850,153,716.75	TAARROADS
2209	Feasibility Study and Detailed Design of Mangrove Drainage (1.0 km)	250,000,000.00	15,316,112.03	11,628,124.11	23,628,286.17	16,238,862.63	23,722,022.21	22,827,813.02	16,000,806.14	14,860,828.45	14,004,684.84	14,260,457.14	18,108,478.88	217,625,828.25	TAARROADS
2209	Feasibility Study and Detailed Design of Mangrove Drainage (1.3 km)	148,000,000.00	3,168,874.84	8,202,217.69	10,813,828.19	7,482,527.61	10,974,875.33	10,245,024.81	8,803,864.83	8,028,128.46	6,371,680.86	3,601,196.48	7,451,020.67	87,291,822.30	TAARROADS
2209	Consultancy Services for Feasibility Study and Detailed Design of Mangrove Drainage (1.0 km)	300,000,000.00	16,004,534.44	13,821,248.23	28,156,283.78	19,648,711.18	23,473,026.43	20,277,218.03	17,457,226.22	16,841,220.83	17,024,521.48	17,220,522.07	19,406,215.21	288,011,118.03	TAARROADS
2209	Construction of Mangroves	850,000,000.00	28,178,224.87	21,028,448.22	47,810,472.84	32,420,188.26	47,465,824.03	44,548,820.54	38,120,872.28	37,725,344.72	36,027,388.11	27,720,804.24	32,808,863.18	425,031,837.64	TAARROADS
2209	Feasibility and supervision of road projects	1,400,000,000.00	63,388,418.13	48,104,498.44	80,220,845.87	68,152,210.81	64,871,864.10	80,201,280.08	70,235,344.07	68,025,707.45	64,422,286.44	47,483,128.84	64,727,018.20	820,132,718.84	TAARROADS
2209	Feasibility Study and Detailed Design of Mangrove Drainage (1.0 km)	178,000,000.00	6,024,616.02	3,750,062.09	11,629,838.23	8,144,648.21	11,126,667.81	8,171,878.87	7,283,218.42	6,453,889.18	6,014,242.23	7,123,315.87	8,008,228.89	108,265,864.48	TAARROADS
2209	Consultancy Services for Feasibility Study and Detailed Design of Mangrove Drainage (1.0 km)	125,000,000.00	6,694,608.02	6,103,882.06	11,812,818.23	8,144,648.21	11,853,026.21	11,126,667.81	9,728,218.42	9,432,868.14	9,024,262.26	7,725,218.42	8,008,228.84	108,265,864.48	TAARROADS
2209	2209 200m (0.3 km)	190,000,000.00	8,023,487.72	6,419,874.47	14,293,141.86	9,272,855.56	14,324,729.22	13,283,888.81	11,276,371.45	11,256,679.42	10,817,218.73	8,010,991.28	8,719,842.75	117,418,427.36	TAARROADS

BOUNDED AND ROADS DEVELOPMENT SERVICE - (PREFER ROAD)
ROAD FUND SUBMITTION FOR FINANCIAL YEAR 2017/18

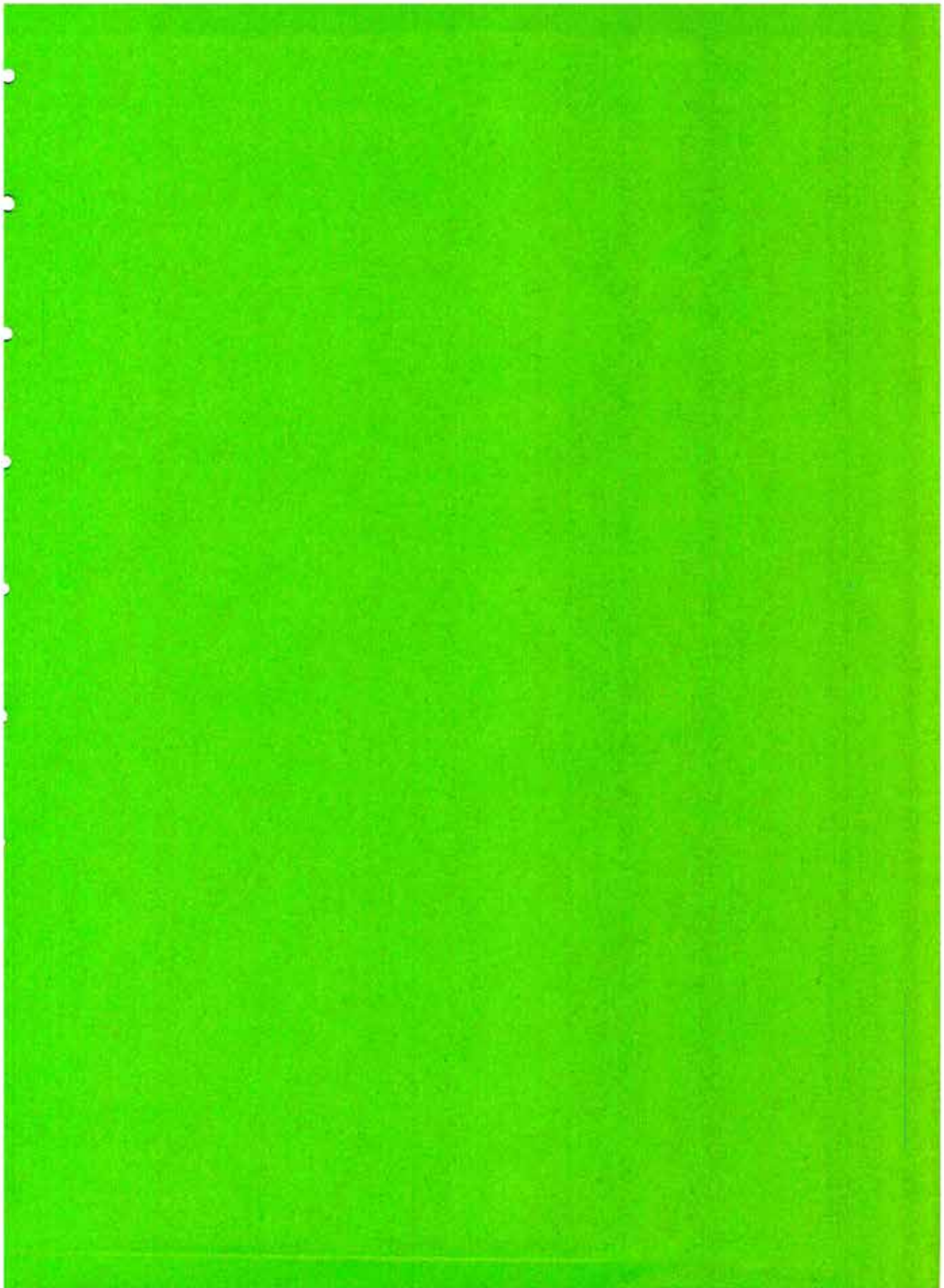
2326	Consultancy Service for Feasibility Study and Detailed Design of the #4 Motorway (Mombasa - Malindi) - Malindi - Malindi (12 km)	140,000,000.00	8,024,487.22	8,024,487.22	8,024,487.22	14,263,147.88	8,772,848.88	14,268,798.22	13,303,888.01	11,728,271.68	8,720,892.11	11,320,818.42	10,817,210.78	8,813,258.28	9,719,897.70	127,818,897.26	TAMBORA
2326	Consultancy Service for Feasibility Study and Detailed Design of the #4 Motorway - Malindi (15 km)	125,000,000.00	8,884,558.22	8,884,558.22	8,884,558.22	11,900,819.21	8,148,088.31	11,803,689.01	11,156,657.81	8,781,218.07	7,253,218.42	8,437,818.13	8,014,342.49	7,111,773.11	8,098,738.82	108,260,864.48	TAMBORA
2326	Consultancy Service for Feasibility Study and Detailed Design of the #4 Motorway - Malindi (15 km) - Malindi - Malindi (15 km)	150,000,000.00	8,028,497.22	8,028,497.22	8,028,497.22	14,263,147.88	8,772,848.88	14,238,798.22	13,303,888.01	11,728,271.68	8,720,892.11	11,320,818.42	10,817,210.78	8,813,258.28	9,719,897.70	127,818,897.26	TAMBORA
2326	Consultancy Service for Detailed Design of the #4 Motorway (Malindi - Malindi) (12 km)	150,000,000.00	8,028,497.22	8,028,497.22	8,028,497.22	14,263,147.88	8,772,848.88	14,238,798.22	13,303,888.01	11,728,271.68	8,720,892.11	11,320,818.42	10,817,210.78	8,813,258.28	9,719,897.70	127,818,897.26	TAMBORA
2326	Consultancy Service for Feasibility Study and Detailed Design of the #4 Motorway (Malindi - Malindi) (12 km)	200,000,000.00	18,046,134.44	18,046,134.44	18,046,134.44	28,082,283.78	18,848,711.16	28,073,628.42	26,712,376.68	23,128,633.17	17,407,794.22	20,248,008.83	21,534,421.49	17,226,612.57	18,438,278.11	258,021,114.73	TAMBORA
	TOTAL	603,315,850,000.00	52,028,874.10	52,028,874.10	52,028,874.10	100,000,000.00	52,028,874.10	100,000,000.00	95,000,000.00	78,000,000.00	60,000,000.00	80,000,000.00	75,000,000.00	70,000,000.00	80,000,000.00	1,000,000,000.00	

Annex A – OF WORKING CAPITAL REPORT (NOTE 64)

Y/A	120.00	7.24	5.06	42.38	6.87	11.82	16.07	8.73	16.96	7.44	6.46	119,979,169
Opening of Balance	50.00	2.74	2.33	4.75	3.50	4.36	9.27	2.37	3.87	2.88	3.87	42,073,160
Sub - Total	170.00	9.98	7.39	47.13	10.37	16.18	25.34	11.10	20.83	10.32	10.33	162,052,329
10 KALAMUNJANG REGION	15.81	331.83	30.71	34.38	48.33	49.33	43.37	43.87	58.97	41.88	47.37	443.71
Upgrading of Kowad - Victoria/Komoran	1.6	1,050.00	54.89	48.09	59.79	69.55	69.86	67.41	81.17	77.10	69.68	699,351,655
Kowad - Mawak - Mawak	7.38	133.00	7.2	8.27	12.84	11.83	10.31	7.81	10.26	8.77	7.81	8.66
Upgrading to DDD Inara - Mawak - Mawak	9.20	48.00	4.77	6.36	8.60	8.07	6.98	6.22	6.80	6.48	6.04	3.68
Upgrading of Makaya - Bg road to DDD	1.74	560.00	32.5	27.69	38.95	45.03	47.41	33.46	46.36	44.08	34.35	38.77
Upgrading of Makaya - Makaya - Makaya	1.13	316.00	18.75	14.88	20.48	28.43	24.49	18.45	23.95	22.78	17.75	20.01
Makaya - Makaya - Makaya - Makaya	13.76	288.00	11.1	8.05	19.45	18.35	18.26	12.18	18.49	13.03	11.74	13.28
Sub - Total	21.84	3,344.00	119.24	119.23	179.23	219.23	189.23	149.23	184.23	174.23	139.23	174,946,087
11 LINDI REGION	5.2	86.02	4.80	6.07	8.87	7.89	8.78	5.11	6.85	6.32	4.62	5.56
Huaha, Nandij - Kwapelawa - Nandij	3.9	121.00	5.58	4.81	9.79	8.45	8.14	8.12	7.58	7.58	3.80	6.86
Huaha, Nandij - Kwapelawa - Nandij (road)	5.2	89.00	4.77	5.11	5.25	5.85	6.26	5.23	6.80	6.18	5.54	5.89
Upgrading to DDD Nandij - Nandij - Nandij	1	85.00	32.5	27.99	37.22	45.03	47.41	33.46	46.36	44.08	34.35	38.77
Upgrading to DDD Nandij - Nandij - Nandij (road)	1	85.00	2.62	2.43	4.94	4.53	4.51	3.62	4.52	3.82	2.89	3.28
Sub - Total	10.3	350.00	45.35	41.34	51.27	51.27	51.27	41.34	51.27	41.34	31.18	41.34
12 MANDRA REGION	13.2	285.00	14.25	17.47	23.18	23.91	20.34	15.75	20.48	19.48	15.17	17.19
Chapungu - Chapungu - Chapungu	8.21	109.00	5.74	4.29	10.27	9.44	8.37	6.35	6.19	7.78	6.27	6.65
Skaka, Kaka - Skaka road	7.84	155.00	8.4	7.23	14.73	14.23	13.24	9.21	11.89	11.38	9.47	10.02
Korok Road - Korok Road	8.17	150.00	6.51	7.47	15.11	15.48	14.59	12.69	12.24	11.54	9.10	10.28
Huaha, Ingara - Ingara - Ingara	0.7	260.00	14.68	12.13	24.71	24.45	20.64	16.48	20.10	18.08	14.48	16.80
Upgrading to DDD along Makaya - Makaya - Makaya	34.84	843.00	81.18	84.89	84.89	84.89	84.89	84.89	84.89	84.89	84.89	84.89
Sub - Total	24.84	1,403.00	118.36	126.16	157.81	157.81	140.36	106.37	126.16	126.16	106.37	126.16
13 MAMA REGION	7.26	132.02	7.13	5.18	12.54	12.11	11.08	10.43	10.20	9.60	7.95	8.55
Huaha, Makaya - Makaya Road - Makaya Road	7.26	132.00	7.13	5.18	12.54	12.11	11.08	10.43	10.20	9.60	7.95	8.55
Upgrading to DDD Makaya - Makaya - Makaya	0.32	196.00	6.58	7.37	15.81	14.48	12.48	9.39	12.21	11.00	9.29	10.21
Upgrading to DDD Makaya - Makaya - Makaya (road)	0.87	200.00	10.81	9.33	19.81	18.34	17.29	15.40	11.46	16.89	11.45	12.02
Upgrading to DDD Makaya - Makaya - Makaya (road)	1.31	327.00	21.3	16.52	37.76	35.41	31.37	21.86	30.08	29.15	22.73	21.08
Huaha, Makaya - Makaya - Makaya	3.44	52.02	2.82	2.43	4.64	4.63	4.11	3.02	4.62	4.48	2.48	3.28
Huaha, Makaya - Makaya - Makaya	3.3	327.00	17.71	15.29	31.07	29.15	25.84	18.44	26.25	24.31	18.44	21.19
Sub - Total	21.18	1,234.02	75.32	63.23	112.18	104.21	91.45	67.91	138.07	102.26	89.32	95.34
14 HEBERA REGION	8.69	108.06	9.86	8.64	10.28	9.91	8.92	8.42	8.35	7.33	5.18	6.84
Huaha, Makaya - Makaya - Makaya	1.24	450.00	21.67	18.69	39.81	38.84	31.85	23.77	33.60	28.37	22.85	25.84
Upgrading to DDD Makaya - Makaya - Makaya	0.83	300.00	18.25	14.60	24.41	19.78	23.70	17.83	23.19	22.01	17.18	18.38
Huaha, Makaya - Makaya - Makaya	7.52	148.00	7.44	8.43	11.66	12.32	10.00	8.20	10.67	10.13	7.89	8.82
Huaha, Makaya - Makaya - Makaya	1.10	180.00	6.42	4.97	8.15	7.00	6.84	5.73	7.73	7.34	5.73	6.48
Sub - Total	17.42	1,048.06	65.87	48.86	89.60	81.91	62.84	42.37	60.11	48.86	38.43	47.33

ANNEXURE 1 OF FINANCIAL STATEMENT REPORT TO THE COMMUNITY (AOTF 4th)

15. MOROGORO REGION		3.8	18.00	4.77	4.11	8.28	5.95	8.07	7.84	8.29	5.22	8.83	5.04	5.04	5.04	75,129,927.0
Roads	Rehab. Mwanza - Moyo - Ioga															
	Upgrading Moyo - Moyo - Ioga Road															
	Rehab. Moyo - Moyo - Ioga Road	0.6	118.65	8.53	8.31	18.72	11.85	16.14	18.88	13.21	10.48	13.81	12.92	16.08	11.27	150,233,845.5
	Rehab. Moyo - Moyo - Ioga Road															
	Rehab. Moyo - Moyo - Ioga Road	17.4	366.00	21.15	18.18	37.68	26.76	38.77	34.78	36.41	23.18	30.15	28.84	22.35	28.20	332,924,449.7
	Rehab. Moyo - Moyo - Ioga Road	7.6	178.50	9.53	8.21	18.72	11.85	16.14	18.88	13.21	10.48	13.81	12.92	16.08	11.27	150,233,845.5
	Upgrading of Moyo - Moyo - Ioga Road															
	Upgrading of Moyo - Moyo - Ioga Road	1.4	350.00	18.09	16.33	33.29	23.07	32.10	31.16	27.85	20.83	27.06	24.70	20.54	22.62	268,776,184.4
	Sub - Total - Morogoro	10.2	1,160.21	63.95	61.03	117.78	77.78	104.32	108.13	81.33	61.14	81.53	84.84	67.87	74.21	1,007,230
16. PUNJAB REGION																
	Upgrading to DSD Newala Township	1.8	441.00	23.89	20.87	41.81	28.07	49.43	39.29	34.84	26.21	34.59	33.28	28.28	28.86	378,437.23
	Rehab. Terenure - Lulu - Mwalu	7.8	152.00	7.15	6.18	12.84	8.70	12.11	11.78	10.43	7.85	10.20	8.88	7.28	8.81	112,949,049.1
	Construction of Umwamba Bviga	1	178.00	9.53	8.21	16.72	11.85	16.14	18.88	13.21	10.48	13.81	12.92	16.08	11.27	150,233,845.5
	Upgrading to DSD Mwanza - Moyo - Ioga Road															
	Upgrading to DSD Mwanza - Moyo - Ioga Road	5.8	132.00	7.15	6.18	12.84	8.70	12.11	11.78	10.43	7.85	10.20	8.88	7.28	8.81	112,949,049.1
	Sub - Total - Morogoro	16	803.00	47.72	41.10	83.29	56.34	83.75	73.95	66.35	52.39	65.80	60.04	53.64	66.53	112,949,049.1
17. WANJAKA REGION																
	Rehab. Koyote - Mwanza - Moyo - Ioga	2.3	52.00	2.82	2.43	4.84	3.45	4.77	4.57	4.11	3.05	4.02	3.82	3.28	3.79	44,306,648.2
	Rehab. Koyote - Mwanza - Moyo - Ioga	3.2	70.00	3.79	3.27	6.65	4.81	6.42	6.24	5.53	4.18	5.41	5.14	4.31	4.58	55,751,931.96
	Rehab. Koyote - Mwanza - Moyo - Ioga	5.8	124.00	6.72	5.78	11.78	8.17	11.37	11.05	9.80	7.37	9.89	9.11	7.10	8.01	95,858,580.16
	Rehab. Lulu - Mwalu	2.8	52.00	2.82	2.43	4.84	3.45	4.77	4.57	4.11	3.05	4.02	3.82	3.28	3.79	44,306,648.2
	Construction of Koyote (Moyo - Ioga)	1	116.00	17.02	14.74	29.03	20.85	28.68	28.15	24.87	18.78	24.83	23.20	19.89	20.42	248,466,416.16
	Rehab. Koyote - Mwanza - Moyo - Ioga	3.5	70.00	3.79	3.27	6.65	4.81	6.42	6.24	5.53	4.18	5.41	5.14	4.31	4.58	55,751,931.96
	Rehab. Koyote - Mwanza - Moyo - Ioga	3.8	82.00	4.20	3.68	7.36	5.29	7.28	7.07	6.36	4.79	6.28	6.00	5.16	5.51	66,232,224.44
	Rehab. Koyote - Mwanza - Moyo - Ioga	3.5	70.00	3.79	3.27	6.65	4.81	6.42	6.24	5.53	4.18	5.41	5.14	4.31	4.58	55,751,931.96
	Rehab. Koyote - Mwanza - Moyo - Ioga	8.1	88.00	4.77	4.11	8.26	5.86	8.07	7.84	6.95	5.23	6.90	6.48	5.64	5.89	70,158,527.1
	Rehab. Koyote - Mwanza - Moyo - Ioga	3.5	70.00	3.79	3.27	6.65	4.81	6.42	6.24	5.53	4.18	5.41	5.14	4.31	4.58	55,751,931.96
	Upgrading to DSD Koyote - Mwanza - Moyo - Ioga	1	80.00	4.77	4.11	8.26	5.86	8.07	7.84	6.95	5.23	6.90	6.48	5.64	5.89	70,158,527.1
	Upgrading to DSD Koyote - Mwanza - Moyo - Ioga	7.3	150.00	8.56	7.37	15.01	10.42	14.49	14.08	12.43	9.29	12.21	11.80	10.05	10.21	124,018,274.4
	Sub - Total - Morogoro	2	1,000.00	54.17	46.56	92.01	64.22	97.72	88.19	79.01	59.44	77.31	75.43	67.35	84.62	85,932,813
	Sub - Total - Morogoro	43.3	2,330.21	129.81	109.24	211.97	142.01	202.04	196.28	171.18	122.24	172.33	162.74	137.18	144.10	1,403,843
18. Njombe REGION																
	Rehab. Mwanza - Moyo - Ioga	7.2	180.00	8.56	7.37	15.01	10.42	14.49	14.08	12.43	9.29	12.21	11.80	10.05	10.21	124,018,274.4
	Rehab. Mwanza - Moyo - Ioga	8.5	170.00	8.56	7.37	15.01	10.42	14.49	14.08	12.43	9.29	12.21	11.80	10.05	10.21	124,018,274.4
	Rehab. Koyote - Mwanza - Moyo - Ioga	4.2	90.00	4.28	3.68	7.36	5.29	7.28	7.07	6.36	4.79	6.28	6.00	5.16	5.51	66,232,224.44
	Rehab. Koyote - Mwanza - Moyo - Ioga	4.2	90.00	4.28	3.68	7.36	5.29	7.28	7.07	6.36	4.79	6.28	6.00	5.16	5.51	66,232,224.44
	Upgrading to DSD Koyote - Mwanza - Moyo - Ioga	1.1	280.00	14.00	12.43	24.71	17.14	23.89	23.16	20.54	15.45	20.10	18.89	16.48	18.29	228,848,044.4
	Upgrading to DSD Koyote - Mwanza - Moyo - Ioga	4.2	90.00	4.28	3.68	7.36	5.29	7.28	7.07	6.36	4.79	6.28	6.00	5.16	5.51	66,232,224.44
	Sub - Total - Morogoro	38	1,311.96	61.87	53.83	107.38	77.38	107.38	107.38	94.27	70.82	102.11	97.38	82.84	88.31	1,327,843





THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
AUDIT OF FINANCIAL STATEMENTS OF ROADS FUND FOR PRESIDENT
OFFICE-RALG FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2018

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March, 2019

AR/CG/RF PO-RALG/ 2017/2018

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Abbreviations

CAG	Controller and Auditor General
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
MDAs	Ministries, Departments and Agencies
NAO	National Audit Office
OACG	Office of the Controller and Auditor General
PAA	Public Audit Act No. 11 of 2008
PAC	Public Accounts Committee
PAR	Public Audit Regulation, 2009
PFA	Public Finance Regulations, 2009
PO-RALG	President's Office-Regional Administration and Local Government
PPA	Public Procurement Act, 2011(amended 2016)
PPR	Public Procurement Regulations, 2013 (amended 2016)
Reg.	Regulation
RF	Roads Fund
Sect.	Section

1.0 GENERAL INFORMATION

1.1. Mandate

The statutory duties and responsibilities of the Controller and Auditor General are given under Article 143 of the Constitution of the URT of 1977 (revised 2005) and in Sect. 10 (1) of the Public Audit Act No.11 of 2008.

1.2. Vision, Mission and Core Values

Vision

To be a highly regarded Institution that excels in Public Sector Auditing.

Mission

To provide high quality audit services that improves public sector performance, accountability and transparency in the management of public resources.

Core Values

In providing quality services, NAO is guided by the following Core Values:

- ✓ **Objectivity:** We are an impartial public institution, offering audit services to our clients in unbiased manner.
- ✓ **Excellence:** We are professionals providing high quality audit services based on standards and best practices.
- ✓ **Integrity:** We observe and maintain high standards of ethical behaviour, rule of law and a strong sense of purpose.
- ✓ **People focus:** We value, respect and recognize interest of our stakeholders.
- ✓ **Innovation:** We are a learning and creative public institution that promotes value added ideas within and outside the institution.
- ✓ **Results Oriented:** We are an organization that focuses on achievement based on performance targets.
- ✓ **Team work Spirit:** We work together as a team, interact professionally, share knowledge, ideas and experiences.

We do this by:-

- Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- Helping to improve the quality of public services by supporting innovation on the use of public resources;
- Providing technical advice to our clients on operational gaps in their operating systems;
- Systematically involve our clients in the audit process and audit cycles; and
- Providing audit staff with appropriate training, adequate working tools and facilities that promote their independence.

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1.3. Audit objectives

To obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and are prepared in accordance with an applicable financial reporting framework; and whether laws and regulations have been complied with.

1.4. Audit scope

The audit was carried out in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and other audit procedures as were deemed appropriate under the circumstances. This covered the evaluation of the effectiveness of the financial accounting system and internal control over various activities of the Roads Fund for PO RALG.

The audit was conducted on a sample basis; therefore, the findings are confined to the extent that records, documents and information requested for the purpose of the audit were made available to me. Audit findings and recommendations arising from the examination of the accounting records, appraisal of the activities as well as evaluation of the Internal Control System which requires management's attention and actions, are set out in the management letter issued separately to the Accounting Officer of Roads Fund for PO RALG.

As an auditor, I am not required to specifically search for fraud and therefore, my audit cannot be relied upon to disclose all such matters. However, my audit was planned in such a way that I would have reasonable expectations of detecting material errors and misstatement in the financial statements resulting from irregularities including fraud. The responsibility for detection, prevention of irregularities and the maintenance of an effective and adequate system of internal control rests with the management of the Road Fund for PO RALG.

1.5. Audit Methodology

My audit approach included tests of the accounting records and other procedures in order to satisfy the audit objectives. My audit procedures included the following:

- Planning the audit to identify and assess risks of material misstatement, whether due to fraud or error, based on an understanding of the entity and its environment, including the entity's internal controls.

- Obtain sufficient appropriate audit evidence about whether material misstatements exist, through designing and implementing appropriate responses to the assessed risks.
- Form an opinion on the financial statements based on conclusions drawn from the audit evidence obtained.
- Follow up on the implementation of the previous year's audit findings and recommendations and directives issued by PAC to ensure that proper action has been taken in respect of all matters raised,

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, 2018

Unqualified Opinion

I have audited the accompanying financial statements of Roads Fund for President's Office Regional Administration and Local Government which comprise the Statement of Financial Position as at 30th June, 2018 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 in audited financial statements.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Roads Fund as at 30th June, 2018, and its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and in the manner required by the Public Finance Act, 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 Roads 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 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.

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

Management is responsible for the other information. The other information comprise 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 the audit report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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(amended 2016)

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 for PO RALG procurement transactions and processes have generally complied with the requirements of the Public Procurement Act No.7 of 2011(amended 2016) and its underlying Regulations of 2013(amended 2016).


Prof. Mussa Juma Assag,
CONTROLLER AND AUDITOR GENERAL
March, 2019



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Copy to: The Chief Secretary,
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11400 DAR ES SALAAM.

Permanent Secretary and Paymaster General,
Ministry of Finance and Planning,
Treasury Square Building,
18 Jakaya Kikwete Road,
P.O. Box 2802,
40468 DODOMA.

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

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ABBREVIATIONS

ADRICS -	-	Annual District Roads Inventory and Condition Survey
APA	-	Annual Performance Agreement
BoQ	-	Bill of Quantities
DC	-	District Council
DE	-	District Engineer
CE	-	Council Engineer
DED	-	District Executive Director
DFID	-	UK Department for International Département
DROMAS	-	District Roads Management System
EU	-	European Union
FY.	-	Financial Year
HQ	-	Head Quarters
IRAT	-	Improving Rural Access in Tanzania
KM	-	Kilometer
LGA's	-	Local Government Authorities
LGRF	-	Local Government Roads Fund
LG - RICS	-	Local Government Road Inventory and Conditions Survey
MC	-	Municipal Council
LGTP	-	Local Government Transport Programme
PO-RALG	-	President's Office – Regional Administration and Local Government
RAS	-	Regional Administrative Secretary
RFB	-	Roads Fund Board
RS	-	Regional Administrative Secretary
RSPS	-	Roads Sector Programme Support
RSRP	-	Road Sector Reform Programme
TARURA	-	Tanzania Rural and Urban Roads Agency
TA	-	Technical Assistances
ToR	-	Terms of References
TZS	-	Tanzania Shillings
VOC	-	Vehicle operation Cost
WB	-	World Bank
GOT	-	Government of Tanzania

THE UNITED REPUBLIC OF TANZANIA
PRESIDENTS OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

1 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 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 2017/2018 PORALG was responsible for monitoring and coordination of maintenance of the recorded 69,430. KMs routine maintenance of which 724,210 KM were actual performance, 5,413.64 KMs sport improvement were planned and its actual performance were 26,300 KMs. Periodic maintenance was 3,882.45 KMs planned and actual performance was 26,300 KMs. In addition PORALG planned to construct 26,300 KM to gravel standard and 26,300 KM to paved standard. To date 325 KM of gravel and bridges 3 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 TARURA 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.

2 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.

3 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

INTRODUCTIONS CONTINUE

4. **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
5. **Objective and targets of Road Fund,**
The objective of Road fund under PO-RALG is to support PO-RALG RS and TARURA in managing Local Authority Road Network.

THE UNITED REPUBLIC OF TANZANIA
PRESIDENTS OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

1.0 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 TARURA 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 TARURA 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, TARURA 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 TARURA. These agreement set out in details the planned work and from the basis of all monitoring and auditing activities.

THE UNITED REPUBLIC OF TANZANIA
PRESIDENTS OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

OVERVIEWS OF FINANCIAL MANAGEMENT CONTINUE

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 TARURA but procurement and payment procedures follow General Government Guidelines. Progress reports are prepared quarterly and a separate end of the year financial statements are produced TARURA. The audit of TARURA 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
PRESIDENTS OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

2.0 BUDGET, TRANSPARENT AND CONSISTENCY.

2.1 Budget

The Management implemented its approved annual budget of the Road Fund. The implementation for financial year 2017/18 was based on the Ministry's Vision, Mission, Objectives and Targets. During 2017/18 the approved budget was as follows:

Fund source	Amount
Road Fund-Development Grants	49,843,778,059.50
Road Fund-PO-RALG Monitoring and administration cost	2,117,678,621.70
DFID	27,500,000,000
EU	8,926,730,000
Total	88,388,186,681.2

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 2017/18 performance agreement signed between PO-RALG and Road Fund Board for the implementations of activities worth budget of TZS 88,388,186,681.20.

In financial year 2017/2018 PORALG will continue to cooperate with Development partners in improving Rular and Urban roads in LGAs. The active partners include DFID on IRAT (PHASE III & IV) projects in selected LGAs , USAID under the feed the future projects in 4 LGAs (Kilombero D.C , Mvomero D.C , Kiteto D.C and Kongwa D.C) , EU on upgrading of rular roads in 4bLGAs (Mufindi D.C , Iring D.C ,Mbinga D.C and Songea D.C). TARURA appreciates the contribution of these Development partners in improving District, Urban and feeder roads

2.3 Fund received

During the year 2017/18 a total of TZS. 83,163,734,553.22 was received from donor and TZS 98,648,048.16 was received from other sources. The opening balance was TZS 6,957,753,279.91 hence the total amount available was TZS 90,220,135,881.29.

Out of the amount received from donors TZS 33,178,612,534 was received from Road Fund Board, EU TZS 24,243,350,942 and from DFID was TZS 25,741,771,076 (Refer Note 9).

2.4 Expenditure and Fund balance for the financial year 2017/18;

In financial year 2017/2018 total expenditure was TZS 74,328,965,169 and the remaining balance was TZS 15, 891,170,711 (Refer Note 15).

THE UNITED REPUBLIC OF TANZANIA
PRESIDENTS OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

3.0 STATEMENT OF MANAGEMENT RESPONSIBILITY FOR THE YEAR
ENDED 30 JUNE 2018

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 (IPSAS)

The management of PORALG is responsible for establishing and maintaining a system of effective Internal Control designed 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 2017/2018

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

.....24/02/2018.....
DATE

THE UNITED REPUBLIC OF TANZANIA
PRESIDENTS OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

4.0 COMMENTARY TO THE FINANCIAL STATEMENTS

4.1 Statement of Financial Position

a) Property, plant and equipment

During the financial year 2017/2018 TZS 549,393,047 was used for purchases of assets and were added to the PPP (Refer Note 17).

b) Cash and cash equivalents

Cash and cash equivalents comprise cash at Bank. The balances as at, 30th June 2018 is TZS 15,947,861,083 (Refer Note 15)

c) Receivables

During the receivables was TZS 4,233,290,404. This amount is with respect of funds borrowed by Ilala Mc and Kinondo MC for compensation of People Affected Projects (Refer Note 16).

d) Deferred Income

Differed income revenue grants was TZS 20,124,461,116. This amount include cash and cash equivalent worth TZS 15,947,861,083 and borrowed funds of TZS 4,233,290,404 (Refer Note 9).

e) Accumulated surplus or deficit

The amount of accumulated surplus for the year was TZS 438,716,166 (Refer statement of financial performance)

4.2 Statement of Financial Performance

a) Amortized grants

An amortized grant in financial year 2017/2018 was TZS 69,997,026,716 (Refer Note 9 and accounting policy Note 6(f)).

b) Employees benefit

In financial year 2017/2018 the amount of employee benefit was TZS 3,310,411,247 (Refer Note 11).

c) Supplies and Consumables

The amount of supplies and consumables was TZS 2,403,061,813 (Refer Note 12).

d) Maintenance and repair

The amount spent for maintenance and repair was TZS 43,545,318 (Refer Note 13)

e) Transfer and Subsidies

Transfer and Subsidies was TZS 63,789,263,341 (Refer Note 14 and accounting policy Note 6(f)). As per accounting policy 6(f) this amount does not include TZS 4,233,290,404 which was borrowed by Ilala Mc and


Kinondoni MC. However, the fund borrowed had effect on cash flow. Hence the amount reported in cash flow for transfer and subsidies differ with that reported in the statement of financial performance due to recognition on cash and accrual basis.

f) Depreciation


The amount of depreciation charge in 2017/2018 was TZS 110,676,879 (Refer Note 17).

4.3 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).



 Milton Nwela
 Chief Accountant
 Date: 24/12/2018

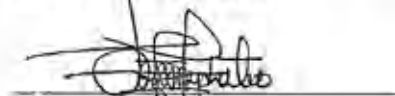


 Elina Kayanda
 Director of Infrastructure Development
 Date: 24/12/2018

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

STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER, 2018

	Notes	2017/2018 TZS	2016/2017 TZS
ASSETS			
Current Assets			
Cash and cash equivalent	15	15,891,170,712	6,957,753,280
Receivables	16	4,233,290,404	-
		<u>20,124,461,116</u>	<u>6,957,753,280</u>
Non-current assets			
Property, Plant and Equipment	17	438,716,167	143,897,949
Intangible asset		-	-
		<u>438,716,167</u>	<u>143,897,949</u>
Total Assets		<u>20,563,177,283</u>	<u>7,101,651,229</u>
LIABILITIES			
Current liabilities			
Payables		-	-
Deferred Income	9	20,124,461,116	6,957,753,280
		<u>20,124,461,116</u>	<u>6,957,753,280</u>
Non-Current liabilities			
Payables		-	-
Deferred Income-Capital grant		-	-
		<u>-</u>	<u>-</u>
Total Liabilities		<u>20,124,461,116</u>	<u>6,957,753,280</u>
Net assets		<u>438,716,167</u>	<u>143,897,949</u>
NET ASSETS/EQUITY			
Capital Contributed by		-	143,897,949
Reserves		-	-
Accumulated surpluses/(deficits)		438,716,166	0
Total net assets/equity		<u>438,716,166</u>	<u>143,897,949</u>



Meltor Nyella
Chief Accountant
30st September, 2018



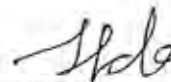
Elina Kayanda
Director of Infrastructure Development
30st September, 2018

THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE REGIONAL ADMINISTRATION AND LOCAL
GOVERNMENT ROAD FUND
STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30TH SEPTEMBER, 2018

	<u>Notes</u>	2017/2018 <u>TZS</u>	2016/2017 <u>TZS</u>
Revenue			
Revenue from non-exchange transactions			
Amortised grants	9	69,997,026,716	43,592,347,032
Other Income	10	98,648,048	542,097,792
Total Revenue		70,095,674,765	44,134,444,824
Expenses			
Employees benefit	11	3,310,411,247	46,000,000
Supplies and Consumables	12	2,403,061,813	4,912,460,645
Maintenance and repair	13	43,545,318	12,154,766
Transfer and Subsidies	14	63,789,263,341	39,163,829,413
Depreciation	17	110,676,879	-
Total Expenses		69,656,958,598	44,134,444,824
Surplus/(Deficit)		438,716,166	0



Melton Nyella
Chief Accounting
30th September, 2018



Elina Kayanda
Director of Infrastructure Development
30th September, 2018

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 SEPTEMBER, 2018

	Original Budget TZS	Final Budget (A) TZS	Actual Amounts on Comparable basis(B)	Difference (A-B) TZS
Receipts				
Disbursement from Road Fund				
Revenue from exchange transactions	88,388,186,681	88,388,186,681	83,163,734,552	5,224,452,129
Other Income			98,648,048	(98,648,048.16)
Total receipts	88,388,186,681	88,388,186,681	83,262,382,601	5,125,804,080.69
CASH OUTFLOWS				
Payments				
Wages, salaries and Employees benefit	3,804,493,420	3,804,493,420	3,310,411,247	494,082,173
Supplies and Consumables	5,727,270,663	5,727,270,663	2,403,061,813	3,324,208,850
Routine maintenance and repair	50,044,500	50,044,500	43,545,318	6,499,182
Transfer and Subsidies	78,174,987,592	78,174,987,592	68,022,553,745	10,152,433,848
Acquisition of PPE	631,390,506	631,390,506	549,393,047	81,997,459
Total	88,388,186,681	88,388,186,681	74,328,965,169	14,059,221,512
Net Cashflows			8,933,417,431	

NB: Budget was prepared on cash basis hence the statement of comparison of budget Vs actual had also been prepared on cash basis


 Melton Nyolla
 Chief Accountant
 30th SEPTEMBER, 2018



 Elna Kayanda
 Director of Infrastructure Development
 30th SEPTEMBER, 2018


THE UNITED REPUBLIC OF TANZANIA

PRESIDENT'S OFFICE REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT ROAD FUND

STATEMENT OF CASH FLOW AS AT 30TH SEPTEMBER, 2018

	Notes	2017/2018 TZS	2016/2017 TZS
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from Road Fund	9	82,614,341,507	39,393,583,751
Other receipts	10	98,648,048	542,097,792
		<u>82,712,989,555</u>	<u>39,935,681,543</u>
Payments			
Wages, salaries and Employees benefit	11	3,310,411,247	46,000,000
Supplies and Consumables	12	2,403,061,813	4,912,460,645
Maintenance and repair	13	43,545,318	12,154,766
Transfer and Subsidies	14 & 16	68,022,553,745	39,163,829,413
		<u>73,779,572,122</u>	<u>44,134,444,824</u>
Net cash flows from operating activities		<u>8,933,417,432</u>	<u>(4,198,763,281)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	17	(549,393,047)	143,897,949
Capital grants received	9	549,393,047	
Net Cash flows from investing activities			<u>143,897,949</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from other borrowings			
Net cash flows used in financing activities			
Net Increase / (decrease) in cash and cash equivalents		8,933,417,432	(4,342,661,230)
Cash and cash equivalent at the beginning of the period	15	6,957,753,280	11,300,414,510
Cash and cash equivalent at the end of the period	15	<u>15,891,170,712</u>	<u>6,957,753,280</u>

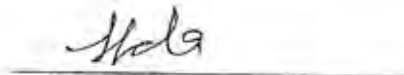

Melton Nyella
Chief Accountant
30th September, 2018


Elina Kayanda
Director of Infrastructure Development
30th September, 2018

THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT ROAD FUND
STATEMENT OF CHANGE IN EQUITY AS AT 30TH SEPTEMBER, 2018

	Contributed Capital	Other Reserves	Translation Reserve	Accumulated Surpluses/ (Deficity)	Total net assets/equity
Balance at 01 July, 2017	143,897,949	-	-	0	143,897,949
Capital fund injected	-	-	-	-	-
Adjustment for Assets transferred to Revaluation Surplus/(deficit)	(143,897,949)	-	-	-	(143,897,949)
Surplus/(deficit) during the year	-	-	-	438,716,166	438,716,166
Balance at 31 December 2017	0	-	-	438,716,166.38	438,716,166


Milton Moko
Accounting Officer
30th SEPTEMBER, 2018


Elina Kayanda
Director of Infrastructure Development
30th SEPTEMBER, 2018

**THE UNITED REPUBLIC OF TANZANIA
PRESIDENTS OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT**

Notes to the financial Statements

5.0. 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 BUSINESS

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

BANKERS

Bank of Tanzania
10 Mirambé 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 L. 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 9080
Dar es Salaam,
Tanzania

THE UNITED REPUBLIC OF TANZANIA
PRESIDENTS OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

5.1.1 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.

5.1.2 Authorization Date.

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

5.1.3 Reporting Entity.

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

5.1.4 Government business entity

The office is composed of the following business entities

- Social Contribution LAPF
- Kibaha Education Training Center
- Hombolo Local Government Training Institute
- Local Government Loans Board

The above listed entities its Financial Statements are not consolidated in this statement. Their accounts are being audited separately.

6.0 Summary of Significant Accounting Policies.

The accounting policies adopted, which are consistent with those of previous years, are shown below.

a) Accounting period

The reporting period of these financial statements is the financial year of the Government which runs from 01st July 2017 to 30th June 2018.

b) 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 below:

Description	Years
Administration assets	
Plant and machinery	15
Furniture and fixture	5
Office equipment	5
Motor vehicles	
□ Heavy duty (5 tons and above)	10
□ Light duty (below 5 tons)	5
Motor cycle	7
Computer (Desktop and Laptop)	4
Document processing equipments e.g. Photocopiers, printers, shredders etc	7
Uninterruptible power supply (UPS)	7
Infrastructural assets	
Roads	
□ Gravel roads	4
□ Culverts/drifts (Gravel roads/Earth roads)	4
□ Tarmac roads and culverts/drifts - Asphalt	10
□ Tarmac roads – Surface Dressing	7
□ Earth roads	NIL
Bridges	
□ Wooden bridges	2
□ Concrete bridges	100
□ Steel bridges	50
Drainage systems	15
Plant and machinery	15
Furniture, fixture and equipment	10
Motor vehicles	
□ Heavy duty (5 tons and above)	10
□ Light duty (below 5 tons)	5
Motor cycle	7
Computer hardware	5

c) Foreign currency translation

Functional and presentation currency

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

Translations and balances.

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions

And from the transaction at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance.

d) **Cash and cash equivalents.**

Cash and cash equivalent balances in the statement of financial position comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, and are measured at amortized cost. For the purpose of the cash flow statement, cash and cash equivalents consists of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

e) **Revenue**

Revenue represents amount earned not necessarily received during the year the financial year, and comprises non tax revenue.

f) **Government grants**

Government grants are not recognized as revenue until there is assurance that the entity has complied with the conditions attaching them. Government grants whose primary condition is to procure, construct or otherwise acquire non-current assets are recognized as income once the assets had been procured or acquired otherwise the grant will be recognized in the statement of financial position as differed income. Other government grants are recognized as income over the period necessary to match them with the costs for which they are intended to compensate on a systematic basis.

g) **Expenses**

Under accrual basis expenditure is recorded in the book of accounts when it is incurred and not necessarily when it is paid.

h) **Inventories**

Inventories held for distribution at no charge or for a nominal charge are stated at the lower of cost and current replacement cost. Current cost is the cost the entity would incur to acquire the asset on the reporting date. All Inventories are held for distribution at no charge and are stated at the lower of cost and current replacement cost.

i) **Receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement receivables are carried at amortized cost less any allowance for impairment.

j) **Events after reporting date**

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- Those are indicative of conditions that arose after the reporting period (non- adjusting events after the reporting period).

k) **Impairment of non-financial assets**

PO-RALG assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required. PO-RALG makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses of continuing operations are recognized in the statement of financial performance in those expenses categories consistent with the function of the impaired asset. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the

statement of financial performance. After such in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

7.0 SIGNIFICANT ACCOUNTING JUDGMENT, ESTIMATES AND ASSUMPTIONS

Judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

In the process of applying the accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements: Determination of the useful lives of property, plant and equipment
Management uses reasonable judgment in determining the useful lives and hence depreciation rates of the items of property, plant and equipment.

8.0 STANDARD ISSUED BUT NOT EFFECTIVE

There was no standard issued but not yet effective up to the date of issuance that might have impact in the financial statements.

THE UNITED REPUBLIC OF TANZANIA

PRESIDENT'S OFFICE REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT ROAD FUND

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2017/2018	2016/2017
	TZS	TZS
9 Grants received		
Opening balance	6,957,753,280	
Road Fund Board	33,178,612,534	11,300,414,510
DFID	25,741,771,076	39,249,685,802
EU	24,243,350,942	
Total receipt	<u>83,163,734,552</u>	<u>50,550,100,312</u>
Capital receipt	549,393,046	
Recurrent receipt	82,614,341,507	
Total grants	90,121,487,832	
Amortised	69,997,026,716	43,592,347,032
Balance	<u>20,124,461,116</u>	<u>6,957,753,280</u>
10 Other Income		
PS PORALG	42,416,718	471,847,792
NMB	-	70,250,000
Receipt from GPSA	56,231,330	-
	<u>98,648,048</u>	<u>542,097,792</u>
11 Wages and Employees benefit		
Administration	1,106,259,701	46,000,000
Monitoring	936,056,669	-
Stakeholders meeting	716,118,032	-
Training on use of laboratory	304,615,011	-
Training on improving rural access	70,041,834	-
Training on DROMAS	114,570,000	-
Staff training	62,750,000	-
	<u>3,310,411,247</u>	<u>46,000,000</u>
12 Supplies and Consumables		
Stationaries	294,462,677	-
Fuel	590,283,329	-
Conference charges	16,251,000	-
Physibility study	875,742,772	-
Research center	626,322,035	-
	<u>2,403,061,813</u>	<u>4,912,460,645</u>

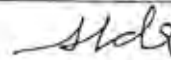
13	Maintenance and repair		
	Motor vehicles service charges	43,545,316	12,154,766
		<u>43,545,318</u>	<u>12,154,766</u>
14	Transfer and Subsidies		
	Transfer to TARURA funds for Development	30,184,993,598	-
	Transfer to TARURA funds for DFID	23,041,247,833	-
	Transfer to TARURA funds for EU Funds	8,783,053,452	-
	Transfer to TARURA lab equipments	647,366,619	-
	Office rent for TARURA	106,513,674	-
	Councillors' Awareness training about TARURA	463,703,184	-
	HR Manual Development	65,573,000	-
	Other Cost associated with establishment of TARURA	19,178,600	-
		<u>477,633,381</u>	-
		<u>63,789,263,341</u>	-

NB: TZS 4,233,290,404 for TARURA were borrowed by Ilala MC and Kiondoni MC refer Note 16. Hence this note differ with that reported in Cash flow statement because it was recognised on accrual bases as receivables

15	Cash and cash equivalent		
	Cash and cash equivalent	15,891,170,712	6,957,753,280
		<u>15,891,170,712</u>	<u>6,957,753,280</u>
16	Receivables		
	Ilala MC	1,710,132,504	-
	Kiondoni MC	2,523,157,900	-
		<u>4,233,290,404</u>	-



Melton Nyela
Chief Accountant
30 th SEPTEMBER, 2018



Elina Kayanda
Director of Infrastructure Development
30 th SEPTEMBER, 2018

17. Property, Plant and Equipment

Item	Cost/Fair value				Accumulated depreciation				Carrying value June 2018
	July 2017	Addition	Transfer	June 2018	July 2017	Rate	Depreciation	June 2017	
Lab equipments	99,644,482	-	-	99,644,482	-	70%	-	-	-
Computer	44,253,467	15,965,400	-	44,253,467	15,965,400	25%	3,991,350	3,991,350	11,974,050
Motor vehicles	-	533,427,647	-	533,427,647	-	20%	106,685,529	106,685,529	426,742,117
Total	143,897,949	549,393,047	-	143,897,949	549,393,047	-	110,676,879	110,676,879	438,716,167

NB: Assets amounting to TZS 143,897,949 were transferred to TARURA



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
AUDIT OF FINANCIAL STATEMENTS OF TANZANIA RURAL AND
URBAN ROADS AGENCY (TARURA) FOR THE FINANCIAL YEAR
ENDED 30TH JUNE, 2018

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31 March 2019

AR/TARURA/2017/2018



REPORT OF THE CONTROLLER AND AUDITOR GENERAL



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
AUDIT OF FINANCIAL STATEMENTS OF TANZANIA RURAL AND
URBAN ROADS AGENCY (TARURA) FOR THE FINANCIAL YEAR
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31 March 2019

AR/TARURA/2017/2018

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Abbreviations

CAG	Controller and Auditor General
ISSAIs	International Standard of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
PAA	Public Audit Act No.11 of 2008
PAR	Public Audit Regulations, 2009
MDAs	Ministries, Departments and Agencies
PAC	Public Accounts Committee
PFA	Public Finance Regulations, 2009
PPA	Public Procurement (Amendment) Act, 2016
PPR	Public Procurement (Amendment) Regulations, 2016
TARURA	Tanzania Rural and Urban Roads Agency

1.0 GENERAL INFORMATION

1.1. Mandate

The statutory duties and responsibilities of the Controller and Auditor General are given under Article 143 of the Constitution of the URT of 1977 (Revised 2005) and in Sect. 10 (1) of the Public Audit Act No.11 of 2008.

1.2. Vision, Mission and Core Values

Vision

To be a highly regarded Institution that excels in Public Sector Auditing.

Mission

To provide high quality audit services that improves public sector performance, accountability and transparency in the management of public resources.

Core Values

In providing quality services, NAO is guided by the following Core Values:

- ✓ **Objectivity:** We are an impartial public institution, offering audit services to our clients in unbiased manner.
- ✓ **Excellence:** We are professionals providing high quality audit services based on standards and best practices.
- ✓ **Integrity:** We observe and maintain high standards of ethical behaviour, rule of law and a strong sense of purpose.
- ✓ **People focus:** We value, respect and recognize interest of our stakeholders.
- ✓ **Innovation:** We are a learning and creative public institution that promotes value added ideas within and outside the institution.
- ✓ **Results Oriented:** We are an organization that focuses on achievement based on performance targets.
- ✓ **Team work Spirit:** We work together as a team, interact professionally, and share knowledge, ideas and experiences.
- ✓

We do this by:-

- Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- Helping to improve the quality of public services by supporting innovation on the use of public resources;
- Providing technical advice to our clients on operational gaps in their operating systems;
- Systematically involve our clients in the audit process and audit cycles; and
- Providing audit staff with appropriate training, adequate working tools and facilities that promote their independence.

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1.3. Audit Objectives

To obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and are prepared in accordance with an applicable financial reporting framework; and whether laws and regulations have been complied with.

1.4. Audit Scope

The audit was carried out in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and other audit procedures as were deemed appropriate under the circumstances. This covered the evaluation of effectiveness of the financial accounting system and internal control over various activities of TARURA.

The audit was conducted on a sample basis; therefore, the findings are confined to the extent that records, documents and information requested for the purpose of the audit were made available to me. Audit findings and recommendations arising from examination of the accounting records, appraisal of activities as well as evaluation of Internal Control System which requires management's attention and actions, are set out in the Management Letter issued separately to TARURA.

As an auditor, I am not required to specifically search for fraud and therefore, my audit cannot be relied upon to disclose all such matters. However, my audit was planned in such a way that I would have reasonable expectations of detecting material errors and misstatement in the financial statements resulting from irregularities including fraud. The responsibility for detection, prevention of irregularities and the maintenance of an effective and adequate system of internal control rests with the management of TARURA.

1.5. Audit Methodology

My audit approach included tests of the accounting records and other procedures in order to satisfy the audit objectives. My audit procedures included the following:

- Planning the audit to identify and assess risks of material misstatement, whether due to fraud or error, based on an understanding of the entity and its environment, including the entity's internal controls.
- Obtain sufficient appropriate audit evidence about whether material misstatements exist, through designing and implementing appropriate responses to the assessed risks.
- Form an opinion on the financial statements based on conclusions drawn from the audit evidence obtained.
- Follow up on the implementation of the previous year's audit findings and recommendations and directives issued by PAC to ensure that proper action has been taken in respect of all matters raised.

2.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Accounting Officer,
Tanzania Rural and Urban Roads Agency,
P. O. Box 11042,
DODOMA.

Report on the audit of Tanzania Rural and Urban Roads Agency's financial statements for the financial year ended 30th June, 2018

Unqualified Opinion

I have audited the accompanying financial statements of TARURA, which comprise of the Statement of Financial Position as at 30th June, 2018, Statement of Financial Performance, Statement of Changes in Net Assets/Equity, Cash Flow Statement and the Statement of Comparison of Budget and Actual Amounts for the year then ended, as well as the Notes to the Financial Statements, including a Summary of Significant Accounting Policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of TARURA as at 30th June 2018, its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and in the manner required by the Public Finance Act, 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 on the Audit of the financial statements section of my report. I am independent of TARURA 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.

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 audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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(Revised 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 (Amendment) Act, 2016

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, TARURA procurement transactions and processes have generally not complied with the requirements of the Public Procurement

(Amendment) Act, 2016 and its underlying Regulations of 2013 (Amended 2016). The following non compliances were noted during audit:

1. Weaknesses Noted on the Evaluation of Tenders

- (i) In five Councils I noted irregularities on evaluation process which include failure to notify bidders on correction of arithmetical errors and awarding contract to bidders with expired business licenses. Inadequate evaluation process has resulted into awarding contracts to ineligible contractors.
- (ii) I also noted three cases in three Councils whereby the lowest bidders were disqualified based on the reasons which did not amount to material deviations. As a result, TARURA incurred additional costs of TZS 138,876,320 for awarding the tender to ineligible bidder due to uneven application of evaluation criteria.

2. Procurements not in Annual Procurement Plan TZS 4,014,672,640.74

I noted three contracts implemented in Bukoba MC and Ilala MC but not in the procurement plan contrary to Reg. (69)(3) of PPR, 2013 which requires a procuring entity to forecast its requirements for goods, services and works as accurately as is practicable with particular reference to services or activities already programmed in the annual work plan and included in the annual estimates.

3. Delays in settlement of contractor's claims TZS 1,500,936,470

There were long outstanding claims of contractors beyond maturity date of TZS 1,500,936,470 for a period ranging from one to three years. Delays in settlement of contractor's claims may cause TARURA to pay interests contrary to Clause 51.1 of the PPRA's standardised bid documents which requires employer to pay the Contractor the amounts certified by the Project Manager within 28 days from the date of receiving the certified payment certificate.

4. Un-recovered advance payments of TZS 81,496,220

Clause 66 of General Condition to Contract (GCC) requires the Guarantee to remain effective until the advance payment has been repaid. Contrary to the above cited clause, TARURA paid advance payments of TZS 97,225,216.65 to contractors in three Councils, however, up to the time of the audit in September 2018, TZS 81,496,219.80 was yet to be recovered and the guarantee (performance security) were already expired.

5. Irregularities noted on contract variations

Reg. 110(3) of Public Procurement (Amendment) Regulation, 2016 requires the proposed variations such as additions or deductions which are not incidental to or arising out of the contract, and which alter the scope, extent or intention of the contract to be referred to the appropriate tender board for approval before

instructions are issued to the tenderer. Contrary to the foregoing requirement, I found the following:

- (i) Additional payments of TZS 199,589,111.93 were paid to contractors in three councils as a result of additional works which were not approved by Tender Board.
- (ii) I noted one case whereby some items of the Bill of Quantity (BOQ) for contract No.LGA/116/2016/2017/W/02 Lot (I) implemented by TARURA Singida DC were overpaid by TZS 47,432,000 without evidence of variations and approval by Tender Board.
- (iii) I also noted three cases whereby TARURA offices instructed contractors to perform variations amounting to TZS1,892,739,627 before approval by tender board

6. Liquidated damage not deducted TZS 179,756,307

Examination of contract files noted cases where construction works were not completed within the agreed time despite time extension provided to contractors. However, TARURA did not charge liquidated damage of TZS 179,556,307 contrary to Reg. 112 (1) of Public Procurement (Amendment) Regulation,2016 which requires a procurement entity to impose a liquidated damage for delayed works.


Prof. Mussa Juma Assad
CONTROLLER AND AUDITOR GENERAL

31 March 2019

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UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

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UNITED REPUBLIC OF TANZANIA
 PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
 TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

GENERAL INFORMATION

<p><u>HEAD QUARTERS</u> Dodoma Region PSPF Building/8th Floor/Plot No.2/Block G P. O. Box 11042 Dodoma. Tanzania.</p>	<p><u>LAWYERS</u> Mr. Shaban Mdagano P. O. Box 11042 Dodoma. Tanzania.</p>
<p><u>CHIEF EXECUTIVE</u> Eng. Victor H. Seff P. O. Box 11042 Dodoma. Tanzania</p>	<p><u>AUDITORS</u> The Controller and Auditor General The National Audit Office Audit House 6 Samora Avenue/Ohio Street P. O. Box 9080 Dar es Salaam. Tanzania.</p>
<p><u>BANKER</u> Bank of Tanzania P.O Box 2939 Dar-es-salaam. Tanzania.</p>	

**UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)**

**STATEMENT BY PERMANENT SECRETARY
FOR THE YEAR ENDED 30 JUNE 2018**

The National Development Vision 2025 emphasizes Tanzania goal of becoming a Prosperous Nation through eradicating Poverty, Ignorance, and Diseases in the drive of improving the standard of living of all Tanzanians. In order to achieve this goal, a number of strategies have been deployed and one of them is empowering people in terms of making proper decisions for their own development. Through this vision the Government has emerged with the policy of Decentralization by Devolution.

TARURA is an executive agency which has been given specific mandate to execute its functions by providing quality services to the public by developing and maintaining rural and urban roads network. The Agency is expected to come up with all-weather passable roads, reducing vehicle operating costs, reducing travelling time, enhance the roads safety and improved environmental management

VISION

To be a leading institution in the management of rural and urban roads network.

MISSION

To plan, design, construct and maintain rural and urban roads network in a cost-effective manner for sustainable social economic development.

OBJECTIVES

The main objective of TARURA towards rural and urban roads network are:

- i) Reduce HIV/AIDS infections and improve supporting services.
- ii) Enhance and sustain National Anti-Corruption Policy and Strategies.
- iii) Improve rural and urban roads networks.
- iv) Improve financial resources management.
- v) Improve human resources management.
- vi) Improve institutional capacity in carrying out mandated functions.

**UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)**

**STATEMENT BY PERMANENT SECRETARY (Continued)
FOR THE YEAR ENDED 30 JUNE 2018**

CORE VALUES

The following generic values have been observed by the staff of TARURA in the course of implementing the budget for the financial year 2017/2018.

1. Integrity
2. Loyalty
3. Respect for the law
4. Professionalism
5. Customer focus
6. Accountability
7. Transparency
8. Value for money

FUTURE OUT LOOK

TARURA strategic plan sets out the vision, mission, core values and goals. The plan highlights the output indicators and standard measure of performance and outline the strategies to achieve the goals/objectives and ultimately the vision. The plan has six objectives which contribute to the achievement of National plans and Strategies. It envisages existing national and global plans and strategies which substantially aim to transform the country to middle income level by 2025. In particular TARURA will contribute to:-

- Tanzania Development Vision 2025 (Strategy No.4.2).
- Sustainable Development Goals.
- Rural Development Policy.
- Ruling Party Election Manifesto 2015 – 2020 (Section 39 (a) (iii).



Eng. Joseph M. Nyamhanga
Permanent Secretary
PO-RALG



Date

**UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)**

STATEMENT BY CHIEF EXECUTIVE

1.0 INTRODUCTION

TARURA is an executive agency under President's Office Regional Administration and Local Government established by Executive Agency Act CAP 245 and published in GN No. 211 on 12th May 2017. The Government established Tanzania Rural and Urban Roads Agency (TARURA) as part of strategic intervention to overcome rural and urban road challenges. TARURA is to execute non-policy Government functions related to rural and urban roads network on its behalf. The financial statements for the financial year 2017/2018 provide a record of TARURA financial performance, financial position, cash flows, change in net assets and notes to the financial statements for the year ended 30 June 2018.

In the financial year 2017/2018 TARURA activities were financed by: -

- (i) Road Fund Board
- (ii) European Union – EU
- (iii) USAID
- (iv) DFID/IRAT
- (v) Council Directors

Principal Activities

The primary activities of the TARURA are:

- i) Develop and maintain roads network.
- ii) Carry out engineering traffic and economic studies for the maintenance and improvement of the road network.
- iii) Establish, maintain and update road management systems.
- iv) Undertake procurement and management of contracts for design, maintenance, emergency repairs, spot improvements, rehabilitation, upgrading and construction of roads.
- v) Improve road safety and manage environmental impact in the roads network.
- vi) Establish and maintain appropriate road databank.
- vii) Demarcate and protect road reserve; and
- viii) Advise the Minister (PO-RALG) on matters relating to rural and urban roads.

UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

STATEMENT BY CHIEF EXECUTIVE (Continued)
FOR THE YEAR ENDED 30 JUNE 2018

2.0 OVERVIEW PLANNED BUDGET FUNDS RECEIVED AND EXPENDITURE

(A) BUDGET OUTFLOW

i) Roads Maintenance

TARURA signed performance agreement with Road Fund Board for roads maintenance of which TZS. 283,749,110,000 was agreed to be released for financing various activities. TZS. 235,726,122,045 was received as analyzed below:-

S/N	DETAILS	Budget	Actual	Variance
	HQ			
1	Road Fund – Maintenance (Current Year)	283,749,110,000	235,726,122,045	48,022,987,955
	Sub Total	283,749,110,000	235,726,122,045	48,022,987,955

ii) Roads Developments:

Also, TARURA signed agreement with PO-RALG for roads Developments of which TZS 133,091,438,081 was agreed to be released for financing various activities. TZS 68,234,563,201 was received as analyzed below: -

S/N	DETAILS	Budget	Actual	Variance
1	Road Fund – Development (Current Year)	23,997,304,149	18,482,088,316	5,515,215,833
2	EU (Current Year)	7,081,465,259	3,802,098,910	3,279,366,349
3	USAID (Current Year)	20,742,726,400	6,225,268,319.00	14,517,458,081
4	Road Fund – Development (Roll Over)	33,626,888,380	11,702,905,280	21,923,983,100
5	EU (Roll Over)	21,044,410,000	5,480,954,544	15,563,455,456
6	DFID/UKRAT (Roll Over)	26,598,643,891	22,541,247,832	3,757,396,059
	Sub-Total	133,091,438,079	68,234,563,201	64,556,874,878

iii) Special Funds

TARURA received TZS 1,037,366,619 from Roads Fund Board as a special funds for facilitating Road Board Meeting at Regional level, Installations of Integrated Financial management System at Head Office, procurements of office equipment and office partitions. As per table below:-

UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

STATEMENT BY CHIEF EXECUTIVE (Continued)
FOR THE YEAR ENDED 30 JUNE 2018

S/N	DETAILS	Budget	Actual	Variance
1	Special Fund	1,037,366,619	1,037,366,619	-
		1,037,366,619	1,037,366,619	-

iv) Other Sources

In additions, TARURA received TZS. 105,878,405,000 from other sources as in the table below:

S/N	DETAILS	Budget	Actual	Variance
	Councils			
1	CDCF	11,000,000	11,000,000	-
2	Borrowed fund by councils directors	13,684,624,214	7,029,206,726	6,655,417,488
3	Other Grant (Contribution from councils' directors)	10,582,596,489	10,582,596,489	-
4	Own Sources	1,289,430,929	1,289,430,929	-
5	Carry Over Fund from 2016/2017	86,966,170,856	86,966,170,856	-
	Total (Councils)	112,533,822,488	105,878,405,000	6,655,417,488

(B) EXPENDITURE

S/N	DETAILS	Budget	Actual	Variance
1	Recurrent	203,382,669,775	99,638,748,560	103,743,921,215
2	Capital	327,029,067,411	183,173,523,466	143,855,543,946
	Total	530,411,737,186	282,812,272,026	247,599,465,161

UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

STATEMENT BY CHIEF EXECUTIVE (Continued)
FOR THE YEAR ENDED 30 JUNE 2018

ACHIEVEMENT REALIZED ON IMPLEMENTATION OF PLANNED OBJECTIVES

In the financial year 2017/2018 TARURA realized a number of successes in the course of implementation of various activities which were planned. Achievements realized were from activities implemented using development fund. Some of successes achieved were as follows:

1. Construction of foul drainage system at Tuangoma Temeke MC and Masaki –Malela 2.0KM
2. Construction of Box Culvert along Kiguza-Kitonga-Ujenzi at Mkuranga DC
3. Construction of Box culvert and rise of embankment along Mwanambaya-Mipeko at Mkuranga DC
4. Construction of Box culvert and rise of embankment along Tambani-Mbande-Ujenzi at Mkuranga DC
5. Upgrading of 1KM road in investment area at Kibaha TC
6. Rehabilitation of Kashura road 1KM at Bukoba MC
7. Rehabilitation works along Ming'enyi-Milongon road 20KM at Hanang DC
8. Rehabilitation of Lupila-Kipengele road at Makete DC
9. Rehabilitation of Mawengi-Makonde 3KM at Ludewa DC
10. Upgrading of Merlut road 1KM to Bitumen standard DSD at Arusha CC
11. Upgrading of Kasulu Town road to DSD 2KM
12. Construction Kitopeni- Mataya road (gravel standard) 4.5 Km
13. Upgrading of ChamwinoTown roads 2 Km
14. Upgrading of Changarawe- Mtanana-Kisada road 15km
15. Upgrading of Kondea Town roads to DSD 1.5Km
16. Upgrading of Ludewa-Iburni Road 20 Km
18. Construction of Nzugilo –Mlolo road 18 Km
19. Upgrading of Urban roads to Asphalt Concrete 3km
20. Construction of Isaka- Jana (gravel standard) 16km

UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

STATEMENT BY CHIEF EXECUTIVE (Continued)
FOR THE YEAR ENDED 30 JUNE 2018

	2 Km
21. Upgrading of Chato Town Roads to tarmac level	
22. Construction of Busafya-Nyakasaluma-Kanegere Prison road	10 Km
23. Upgrading of Ibumu-Ilambo-Mpwapwa to gravel standard	26Km
24. Construction of Makungu-Mlafu road	23km
25. Upgrading of Kibaha Town Roads to tarmac level	1.5KM
26. Rehabilitation of Nyashinge (Nyikonga River)-Lwamgasa Busanda-Buyangu Road	42Km
27. Construction of Tosamaganga bridge along Mapogoro-Ugwachanya Road	1No/20m span
28. Rehabilitation of Mnenia-Itololo-Ikore	15km
29. Construction Ulinji-Mawenzusi-Msia road (gravel standard)	17km
30. Construction of Kanyelele-Mpata-Ipembe road	18km
31. Construction of Ngerengere-Kiganila-Mvua road	20km
32. Construction of Kasya –Mpunguti Road	10km
33. Construction of Tukuyu Town Road to DSD	1 5KM
34. Rehabilitation of Newala Town road	6.5km
35. Construction of Bulugwa upper bridges at ushetu	1No
36. Construction of Vibao vitatu-Kiru six road	4km & 2No Box Culvert
37. Construction of box culvert along Msimbu-Bwama road	2No
38. Construction of Nundwe –Ikongosi road	25.6km
39. Construction of Nyololo-Maduna Road	12km

UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

STATEMENT BY CHIEF EXECUTIVE (Continued)–
FOR THE YEAR ENDED 30 JUNE 2018

40. Constructio of Ruvu- Kidogozelo raod	15.5km
41. Construction of Kilimabuye Bridge	1No
42. Construction of bridge at river Kalambo	1No
43. Construction of Tarime Town Roads to DSD	1km
44. Construction of Ushirombo Town road	20km
45. Rehabilitation of Kasumyula road	24km
46. Construction of Masanga-Chome –Ikokoia road	11.26km
47. Rehabilitation of Katoju-lhembu-Karehe road	18km, 4box culvert and 11 line Culvert
48. Construction of Mvumi –Madenge Road	4km
49. Construction of Gimagi- Mwamalasa Magalata Road	7km & line Culvert 96m
50. Construction of Ruangwa Town Road to DSD	1km
51. Construction Ubungo (Ndoombo ya chini)-Irikolamumbe Road & Irikolamumbe Bridge	2.9km & 1No
52. Construction of Nzega Town Road DSD	2 km
53. Construction of Ikana –Makamba-Nkana gravel standard	25km
54. Construction of Madaba Town Road to DSD	1km
55. Construction of Mhoro-Mbwera to gravel standard	20km
56. Construction of Itambo –Idete gravel standard	
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UNITED REPUBLIC OF TANZANIA	
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT	
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)	15km
STATEMENT BY CHIEF EXECUTIVE (Continued)	
FOR THE YEAR ENDED 30 JUNE 2018	
57. Construction of Kabuho-Ziwani road to DSD	1.5km
58. Construction of Kipapa-Mango road (concrete strip)	5km
59. Rehabilitation of Kahangara-Mwamanga-Kisesa B	10km
60. Construction of Mori Bridge	1 No
61. Construction of Nyamisisi- Mnadani- Kiabakali DSD	1KM
62. Construction of Bugunga-Baluma-Kiabakali road	8km
63. Construction of Estate No.5 –Kidugala-Masilu-Wangama- Kipengele road	30km
64. Construction of Chemba –Donsee road	19km
65. Upgrading of Mianzini - Timbolo road to DSD	1
66. Upgrading of Karatu Town Roads	1
67. Upgrading of Kondoa Town roads to DSD	1.5
68. Upgrading Kibaigwa Township to Double Surface Dressing	1
69. Construction of Bridge along Ilembo-Itenka road	1
70. Rehabilitation of Kilwa Mkocho - Kivinje road	4.5 km
71. Upgrading of Serengeti town roads- tarmac level	2 Km
72. Upgrading of Gravel Road To Paved Road-5.0km	2 Km
73. Upgrading of Mvomero Town Roads to DSD standard	1 Km
74. Upgrading to Bitumen (Double Surface Dressing) Standard of Rest Camp-Magereza 1.4km	1.4 Km
75. Upgrading of Nanyamba Town roads to DSD standard	1 Km
76. Construction of Mwasonge Bridge	1 No
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UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

77. Construction of Kisarawe Town roads to tarmac level

1.8 Km

STATEMENT BY CHIEF EXECUTIVE (Continued)

FOR THE YEAR ENDED 30 JUNE 2018

78. Upgrading of Utete Urban roads from gravel to Tarmac road	1 Km
79. Upgrading of Nkasi Urban roads from gravel to Tarmac road	1 Km
80. Construction of 2km of tarmac road in Lusewa Township	2 Km
81. Construction of Tingi - Liparamba Bridge (span 25 m, depth 6m, new road 25km)	30 Km
82. Upgrading of Mombo Town Roads to DSD	1 Km
83. Upgrading of Lushoto Town Tarmac road	1 Km
84. Rehabilitation of Mlele Town Roads to DSD	1 Km
85. Migombani - Shoppers Plaza	0.5 Km
86. Construction of Kibakwe - Wotta roads 23 Km (4 Km concrete strips and 19 Km gravel standard)	23 Km
87. Upgrading of Kidenge - Lufu road 25.5 Km (7 Km blasting rocks and concrete strips)	25.5 Km
88. Ruangwa-Nangurugai Bridge	1 No
89. Construction of Mzenga - Nyani - Gwata	13.5 Km
90. Construction of Kimaramisale - Kigogo and 3 bridges	3.95 Km
91. Construction of bridge at Mbwemkulu River along Liwale - Ruangwa Road	1No
92. Upgrading of Tribunal Road (LakiLaki Area) to DSD	1.25KM
93. Rehabilitation of Msasani I-II to paved standard	1.09KM
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UNITED REPUBLIC OF TANZANIA
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TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

94 Upgrading of Roman Catholic Church Road to Cobble Stone Standard Road

0.84KM

**STATEMENT BY CHIEF EXECUTIVE (Continued)
FOR THE YEAR ENDED 30 JUNE 2018**

95 Construction of Mbala Bridge	1No
96 Upgrading of block T road Phase II Overlay (AC)	1KM
97. Upgrading of Sanawari -Oldonyosapuk to DSD	1KM
98 Rehabilitation of Masjid - Quba	2.55KM
99. Rehabilitation of Kitalakidewa Bridge.	1No
100. Construction of Nyaya Bridge at Ngaya Ward.	1No
101. Rehabilitation of Kinyasi Majengo-Mauno-Itaswi-Chubi Road (Gravel standard).	21km
102. Construction of Mzingizi Bridge along Ruaha-Sali Road.	1No
103. Rehabilitation of Mtutu-Cheleweni Road and Drain (Gravel standard).	15
104. Rehabilitation of Chankoko-Uvinze Junction Road (Gravel standard).	8
105. Rehabilitation of Berega Bridge	1No
106. Rehabilitation of Liganga-Mborongo Mwembasi Road (Gravel standard).	30
107. Rehabilitation of Mtandika-Msosa Road (Gravel standard).	13
108. Rehabilitation of Mtandika-Ikula Road (Gravel standard).	16
109. Rehabilitation of Keepleft-Police-Lupogolo-Soko Mjinga Road (Gravel standard).	1.3
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UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

STATEMENT BY CHIEF EXECUTIVE (Continued)

FOR THE YEAR ENDED 30 JUNE 2018

TARURA has a total of 108,946.19kms of road network handed over to TARURA from Local Government Authorities out of which 52,000Km have been published

Roads	Kms	Condition
Paved Roads	1,026.27	Good
	283.37	Fair
	139.91	Poor
Sub Total	1,449.55	
Gravel Roads	9,732.45	Good
	9,597.37	Fair
	5,075.58	Poor
Sub Total	24,405.40	
Earth Roads	13,853.49	Good
	27,374.52	Fair
	41,863.23	Poor
Sub Total	83,091.24	
Total	108,946.19	

CHALLENGES

Despite the achievements realized in implementing TARURA programs and the recent initiatives, there are some challenges noted such as follows:

- Disbursements of funds from Road Fund Board were not done as per Annual Performance Agreement (APA).
- Insufficient budget allocated to TARURA from Road Fund compared with requirements for the year 2017/2018 including; office accommodation, working tools and supervision vehicles.
- Insufficient number of TARURA staff.
- Office accommodation for regionals and councils offices.
- Limited capacity on management skills, contract management skills, planning and procurement.

**UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)**

**STATEMENT BY CHIEF EXECUTIVE (Continued)
FOR THE YEAR ENDED 30 JUNE 2018**

THE WAY FORWARD

- a) To request Road Fund Board to disburse funds as per Annual Performance Agreement (APA).
- b) To ask Road Fund Board to increase budget allocation to TARURA for the coming years.
- c) TARURA to liaise with other stakeholders to finance road infrastructures.
- d) To liaise with Permanent Secretary of Public Service Management to help on resolving the problem of insufficient staff.
- e) To seek Road Fund Board to allocating enough funds for construction of fully equipped new laboratories.
- f) To ensure early procurement processes, preparation of work plan with due consideration of rain season and preparation of disaster recovery plan.

**UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)**

**STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR THE YEAR ENDED 30 JUNE 2018 –**

Management confirms that suitable accounting policies have been used and applied consistently and reasonable and prudent judgment and estimates have been made in the preparation of the financial statement for the period ended 30th June 2018. Management also confirms that the International Public Sector Accounting Standard (IPSAS) have been followed and that financial statements have been prepared on the Accrual Basis.

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

To the best of our knowledge, the internal control system 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 2017/2018.

Procurement of goods and works to the extent that they are reflected in these financial statements has been done in accordance with the Public Procurement Act No. 7 of 2011 and its regulation of 2013 (with its amendments of 2016).

We accept responsibility for the integrity of the financial statement, the information it contains and its compliance with the Public Finance Act 2001 (Revised in 2004) and instructions from the Treasury.



**CPA. Jacob Nyaulingo
Chief Accountant**

3/03/2019

Date

In our opinion, TARURA financial statements present fairly in all material respects, the financial position of TARURA as at 30th June, 2018, and its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards.



**Eng. Victor H. Seff
Chief Executive**

Date

**UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)**

**STATEMENT OF DECLARATION OF THE HEAD OF FINANCE
FOR THE YEAR ENDED 30 JUNE 2018**


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 Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of 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.

I **Jacob Nyaulingo** being the Chief Accountant of Finance and Accounts Unit of TARURA here by acknowledge my responsibility of ensuring that financial statements for the year ended 30th June 2018 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that TARURA financial statements present fairly in all material respects, the financial position of TARURA as at 30th June, 2018, and its financial performance and cash flows for the year then ended have been prepared based on properly maintained financial records.

Signed by:



Chief Accountant

Position:

GA 6501

Membership No:

Date 3/03/2019

UNITED REPUBLIC OF TANZANIA
 PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
 TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

COMMENTARY ON THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018

1. INTRODUCTION

TARURA implemented its annual approved budget based on Medium Term Expenditure Framework.

2. MINISTERIAL ADVISORY BOARD

The responsibilities of the Ministerial Advisory Board, as provided for under the Executive Agencies Act, CAP 245 are such as: -

- i) Development and maintenance of a strategic framework
- ii) Objectives of TARURA
- iii) Agency's plans and budgets
- iv) Setting priorities and annual performance targets for TARURA
- v) TARURA's annual reports and accounts
- vi) Evaluation of TARURA's performance
- vii) Salaries, wages and allowances of employees of the Agency and
- viii) Any other matter in the promotion and furtherance of the objectives and function of the Act.

3. AUTHORIZATION

TARURA financial statements is authorized by the Ministerial Advisory Board but it is not yet formed thus these financial statements were authorized for issue by Acting Permanent Secretary on behalf of Ministerial Advisory Board on 19th November, 2018

UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

COMMENTARY ON THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2018

4. SUMMARY

Financial performance for the year ended 30 June 2018 is shown in summarized table below.

	2017/2018 Tzs.
Funds received	323,910,286,008
Funds spent	282,812,272,026
Total Assets	919,293,284,143
Total Liabilities	126,315,694,641
Net Assets	792,977,589,503

NB: Funds received of TZS 323,910,286,008 does not includes carry over funds from 2016/2017 amounting to TZS 86,966,170,856

5. BUDGET

The budget is approved on a cash basis by function classification. The approved budget covers the fiscal period from July 01, 2017 to June 30, 2018 and includes all TARURA activities. The budget was approved by Parliament on June 2017. In 2017/2018 TARURA had a total budget of Tzs. 530,411,737,186

6. OWN SOURCE REVENUES

TARURA collected Tzs. 1,289,430,929 for the year ended 30 June 2018 from taxes, levies and other revenues

7. FUND RECEIVED

Fund received of Tzs. 322,620,855,080 for the year ended 30 June 2018 were received to TARURA from Road Fund, DFID/IRAT, EU, USAID other Grants from Council Directors.

8. EXPENSES

For the year ended 30 June 2018 TARURA spent (actual) Tzs. 282,812,272,026 which includes wages, salaries, employees' benefits, supplies and consumable used, routine repair and maintenance expenses, other expenses, transfer payments, interest expenses and capital expenditures.

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 PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
 TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

COMMENTARY ON THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2018

9. TOTAL ASSETS

As at 30 June 2018 TARURA had assets (Current and Non-Current) amounting to Tzs. 919,293,284,143

10. OVERVIEW OF FINANCIAL STATEMENTS

The following are comments regarding the financial statements of TARURA which elaborate more on the figures appear in the Statement of Financial Position, Statement of Financial Performance and Statement of Comparison of Budget for the year ended 30 June 2018.

11. FINANCIAL POSITION

Financial position comprises cash and cash equivalent, inventories, receivables and prepayment, property, plant and equipment, payables and accruals, employee benefits, deferred recurrent grant, provision, deferred capital grant and Net Assets.

(i) Cash and Cash Equivalents

Cash and cash equivalents as at 30 June 2018 were Tzs. 128,064,184,839. **See Note 18.**

(ii) Receivables and Prepayments

Government entities receivable and prepayment for the year ended 30th June 2018 was Tzs.9,183,047,929. **See Note 19.**

(iii) Inventories

As at 30th June 2018 inventories stood at Tzs.123,976,575. **See Note 20.**

UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

COMMENTARY ON THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2018

Financial Position (Continued)

(iv) Property, Plant and Equipment (PPE)

At the start of financial year 2017/2018 TARURA had received PPE amounting to Tzs.755,630,915,372. During the year PPE amounting to Tzs. 192,608,647,969 were added (Monetary and non-monetary) and Tzs.46,214,464,040 being work in progress in construction of tarmac roads, bridges, culverts, drifts and gravel roads. Depreciation charged during the year was Tzs.167,510,314,132. However, there are some assets that were transferred from councils' directors with no value and they have not been recognised in these financial statements. **See Note 21.**

(v) Intangible Assets

TARURA had intangible assets (Software) amounting to Tzs.63,084,854 as at 30 June 2018. **See Note 22.**

(vi) Payables and Accruals

Payables and accrual for the year ended 30th June 2018 amounting to Tzs.22,239,756,150. **See Note 23.**

(vii) Employee Benefits

Employee benefits for the year ended 30th June 2018 amounting to Tzs.1,722,728,300. **See Note 24.**

(viii) Deferred income (Revenue grant)

At the beginning of the financial year 2017/18 Tzs.49,415,422,407 were recognised being deferred recurrent grant transferred from PO-RALG and councils' directors. During the year Tzs.119,121,677,721 were received as cash from various funders for the year ended 30th June 2018 deferred income (recurrent) stood at Tzs.69,573,299,250 while amortization of deferred recurrent were Tzs. 99,442,062,736. **See Note 10.**

UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

COMMENTARY ON THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2018

(ix) Deferred income (Capital Grant)

At the beginning of the year TARURA had deferred capital grant at council level amounting to Tzs 19,498,022,448, during the year capital grant Tzs.196,455,411,958 was received while amortization of deferred capital was Tzs. 183,173,523,465 and closing deferred capital grant was Tzs.32,779,910,941. See Note 25.

UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

COMMENTARY ON THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2018

12. FINANCIAL PERFORMANCE

Revenue

(i) Non – Tax Revenue

During the year ended 30th June 2018 non-tax revenue was comprised of:

	2017/2018
	Tzs
Fees, fines, penalties and permits	1,227,127,146
Other revenue	82,303,783
Total	1,289,430,929

(ii) Amortization of Recurrent grants

	2017/2018
	Tzs
Amortization of Recurrent Grant	99,427,504,062

(iii) Amortization of Capital Grant

Amortization of assets acquired through grants was Tzs. 183,173,523.465 in 2017/18 See Note 26.

Expenses

(i) Wages, Salaries and Employee Benefits

For the year ended 30th June 2018 total wages, salaries and employee benefits incurred was Tzs.6,513,461,644. However, Salaries for Employees at TARURA were paid through their substantial post since most of employees at TARURA were seconded. Therefore, the amount reflected in the financial statements for Salaries, Wages and Employees benefits does not include the Salaries paid to TARURA Seconded staffs. See Note 12.

(ii) Supplies and Consumables Goods

Supplies and consumable incurred was amounting to Tzs.13,859,726,068 in 2017/2018. See Note 13.

(iii) Routine Repair and Maintenance expenses

Total routine repair and maintenance expenses incurred for the year ended 30th June 2018 amounting to Tzs 78,137,957,821. See Note 14.

UNITED REPUBLIC OF TANZANIA
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 TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

COMMENTARY ON THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 30 JUNE 2018

Financial Performance (Continued)

(iv) Other Expenses

During the year 2017/2018 Tzs. 1,034,040,453 were incurred as other expenses. See Note 15.

(v) Grants and Other Transfer Payments

During the year 2017/2018 Tzs. 500,000,000 was transfer payments See Note 16.

(vi) Interest Expenses

During the year 2017/2018 Tzs. 12,024,074 were incurred as interest expenses. See Note 17.

(vii) Depreciation of Property, Plant and Equipments

During the year 2017/2018 TARURA depreciates its PPE by Tzs. 167,510,314,132.
 See Note 23.

13. AUDITORS

The Controller and Auditor-General (CAG) is the statutory auditor for the agency pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2005), Public Audit Act No 11 of 2008.

UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

COMMENTARY ON THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2018

14. CONCLUSION

TARURA is committed to ensure that financial management is improved to enhance transparency and accountability of the available resources for the betterment of Citizens. To accomplish its mission to be a leading institution in the management of rural and urban roads network it will continue to strengthen internal control system by planning, designing, constructing and maintaining rural and urban roads network in a cost effective manner for sustainable social economic development. In so doing, TARURA will continue to implement IPSAS for preparation and presentation of financial statements. These financial statements should be read in conjunction with the underlying notes and schedules for better understanding.



CPA. Jacob Nyaulingo
Chief Accountant


3/03/2019


Date

THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY - TARURA
TARURA FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	30 June 2019 Tzs	1 July 2017 Tzs
ASSETS			
Current Assets			
Cash and cash equivalents	18	128,064,184,539	86,966,170,856
Receivables	19	5,411,820,242	13,359,051,854
Inventories	20	123,976,576	21,961,024
Prepayments	21	3,771,227,685	-
		137,371,209,343	100,347,183,774
Non-current assets			
Property, plant and equipment	22	781,858,989,942	755,830,915,372
Intangible assets	23	63,064,855	-
		781,922,074,900	755,830,915,372
TOTAL ASSETS		919,293,284,143	856,178,099,146
LIABILITIES			
Current liabilities			
Payables and accruals	24	22,239,756,150	10,409,999,053
Employee benefits	25	1,722,728,300	-
Deferred income (Revenue)	10	69,573,289,250	49,415,427,407
		93,535,783,700	59,825,426,460
Non-current liabilities			
Deferred income (Capital)	26	32,779,910,941	19,498,022,449
		32,779,910,941	19,498,022,448
TOTAL LIABILITIES		126,315,694,641	79,323,448,908
NET ASSETS		792,977,589,503	776,854,655,238
NET ASSETS			
Taxpayers Fund		776,654,655,238	776,654,655,238
Accumulated Surplus/(Deficit)		16,322,934,264	-
TOTAL NET ASSETS		792,977,589,503	776,654,655,238


CPA. Jacob Nyaulingo
Chief Accountant
Date: 3 March 2019



Eng. Victor H. Seff
Chief Executive
Date: 3 March 2019

THE UNITED REPUBLIC OF TANZANIA
 PRESIDENT'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
 TANZANIA RURAL AND URBAN ROADS AGENCY - TARURA
 TARURA FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE (BY NATURE)
 FOR THE YEAR ENDED 30 JUNE 2018

	Notes	30 June 2018 TZS
Revenue		
Fees, fines, penalties and permit	9	1,227,127,146
Amortization of recurrent grant, transfers and subsidies	10	99,442,062,736
Other revenue	11	62,303,783
Amortization of capital grant	26	183,173,523,455
		283,905,017,131
Expenses		
Wages, salaries and employee benefits	12	5,513,461,644
Supplies and consumables used	13	13,859,725,068
Routine repair and maintenance expenses	14	78,352,516,495
Other expenses	15	1,034,040,453
Grants and other transfer payments	16	500,000,000
Interest expenses	17	12,024,074
Depreciation of property, plant and equipment	22	167,510,314,132
		267,582,082,867
Share of surplus/(deficit) of associates and joint ventures		
Surplus/(Deficit) during the year		16,322,934,264



 CPA. Jacob Nyaulingo
 Chief Accountant
 Date: 3 March 2019



 Eng. Victor H. Soff
 Chief Executive
 Date: 3 March 2019

THE UNITED REPUBLIC OF TANZANIA
 PRESIDENT'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
 TANZANIA RURAL AND URBAN ROADS AGENCY - TARURA
 TARURA FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED 30 JUNE 2018

	Taxpayers Fund	Accumulated Surplus/ (Deficit)	Other Reserves	Total
	Tzs	Tzs	Tzs	Tzs
At 01 July 2016	-	-	-	-
Surplus/(Deficit) for the year	-	-	-	-
Revaluation Surplus	-	-	-	-
Transfer of:				
Revaluation surplus to reserve	-	-	-	-
At 30 June 2017	-	-	-	-
At 01 July 2017	-	-	-	-
Initial Recognition of Assets and Liabilities	776,654,655,238	-	-	776,654,655,238
Surplus/(Deficit) for the year	-	16,322,934,264	-	16,322,934,264
Revaluation Surplus	-	-	-	-
Transfer of:				
Revaluation surplus to reserve	-	-	-	-
At 30 June 2018	776,654,655,238	16,322,934,264	-	792,977,589,503


 CPA. Jacob Nyaulingo
 Chief Accountant
 Date: 3 March 2019


 Eng. Victor H. Soff
 Chief Executive
 Date: 3 March 2019

THE UNITED REPUBLIC OF TANZANIA
 PRESIDENT'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
 TANZANIA RURAL AND URBAN ROADS AGENCY - TARURA
 TARURA FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2018

	Notes	30 June 2018 TzS
Cash flows from operating activities		
Receipts		
Fees, fines, penalties and permit	30 (a)	1,227,127,146
Recurrent (Grant, transfers and subsidies) received	31 (a)	119,136,236,395
Other revenue	30 (b)	62,303,783
Payments		
Wages, salaries and employee benefits	32 (a)	(4,790,533,345)
Supplies and consumables used	32 (b)	(14,129,188,248)
Routine repair and maintenance expenses	32 (c)	(78,978,378,965)
Other expenses	32 (d)	(893,790,453)
Grants and other transfer payments	32 (e)	(838,266,690)
Interest expenses	32 (f)	(8,590,860)
Net cash from operating activities		20,786,918,764
Cash flows from investing activities		
Acquisition of property, plant and equipment	32 (g)	(183,110,438,607)
Acquisition of intangible assets	22	(62,084,859)
Net cash from investing activities		(183,173,523,465)
Cash flows from financing activities		
Development grants received	31 (b)	156,465,411,958
Increase in deposit others	33	7,529,206,726
Net cash flows from financing activities		203,484,618,684
Net increase/(decrease) in cash and cash equivalents		41,098,013,983
Cash and cash equivalents at the beginning of the period		86,962,170,858
Cash and cash equivalents at the end of the period	18	128,064,184,839



CPA. Jacob Nyaulinga
 Chief Accountant
 Date: 3 March 2018



Eng. Victor H. Seff
 Chief Executive
 Date: 3 March 2018

THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY - TARURA
TARURA FINANCIAL STATEMENTS

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
(Budget prepared and approved on cash basis)

	Original Budget (A) TZs	Final Budget (B) TZs	Actual on Comparable Basis (C) TZs	Difference (C - B) TZs
Receipts				
Fees, fines, penalties and permit	-	1,227,127,146	1,227,127,146	-
Grant, transfers and subsidies received	335,570,505,808	529,122,306,258	409,587,025,935	119,535,280,322
Other revenue	-	62,303,783	62,303,783	-
	335,570,505,808	530,411,737,187	410,875,456,864	119,535,280,322
Payments				
Wages, salaries and employee benefits	4,521,738,703	7,574,520,550	4,790,533,345	2,783,987,205
Supplies and consumables used	11,454,355,296	16,297,826,196	14,179,188,248	2,168,527,048
Routine repair and maintenance expenses	42,414,931,974	177,624,841,625	78,978,379,965	98,646,462,661
Other expenses	-	1,037,714,714	893,730,453	143,924,261
Grants and other transfer payments	500,000,000	838,286,690	838,266,690	0
Interest expenses	-	9,500,000	8,590,850	909,149
Capital Expenditure	278,379,809,835	327,026,067,411	183,173,523,465	143,855,543,945
	335,570,505,808	530,411,737,187	282,812,272,026	247,599,465,161
Surplus/Deficit			128,064,184,839	(128,064,184,839)

Note: Fund received of TZs 409,587,935 as grants, transfers and subsidies include carry over fund TZs 86,906,170,853 which was rebudgeted.


CPA, Jacob Nyalungo
Chief Accountant
Date: 3 March 2019


Eng. Victor H. Seff
Chief Executive
Date: 3 March 2019

**UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

1. General Information

TARURA is responsible to ensure that it keeps proper books of accounts that complies with the Generally Accepted Accounting Principles, Public Finance Act of 2001 (revised 2004) and International Public Sector Accounting Standards (IPSAS) as may be prescribed by the Paymaster General

2. Basis of Preparation

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Tanzanian Shillings (Tzs) and all values are rounded to the nearest shilling.

Statement of Compliance

These financial statements have been prepared in accordance with Public Finance Act of 2001 (revised 2004) and comply with International Public Sector Standards (IPSAS), Accrual basis of accounting.

3. Reporting Entity

These financial statements are for TARURA that includes HQ, 26 RCOs offices and 184 councils. The financial statements encompass the reporting entity as specified in the relevant legislation

UNITED REPUBLIC OF TANZANIA
 PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
 TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30 JUNE 2018

HEAD QUARTER AND REGIONAL COORDINATORS' OFFICE (RCO)

S/N	Description
1	TARURA Head Quarters
	RCOs Offices
1	REC Arusha
2	REC Dar es Salaam
3	REC Dodoma
4	REC Geita
5	REC Iringa
6	REC Kagera
7	REC Katavi
8	REC Kigoma
9	REC Kilimanjaro
10	REC Lindi
11	REC Manyara
12	REC Mara
13	REC Mbeya
14	REC Morogoro
15	REC Mtwara
16	REC Mwanza
17	REC Njombe
18	REC Pwani
19	REC Rukwa
20	REC Ruvuma
21	REC Shinyanga
22	REC Simiyu
23	REC Singida
24	REC Songwe
25	REC Tabora
26	REC Tanga

UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30 JUNE 2018

TARURA COUNCILS

No	Council	No	Council	No	Council	No	Council
1	Arusha CC	37	Kasulu DC	73	Morogoro MC	109	Tunduru DC
2	Arusha DC	38	Kasulu TC	74	Ifakara TC	110	Namtumbo DC
3	Karatu DC	39	Kibondo DC	75	Malinyi DC	111	Nyasa DC
4	Longido DC	40	Kigoma DC	76	Mvomero DC	112	Kahama TC
5	Meru DC	41	Kigoma-Ujiji MC	77	Ulanga DC	113	Kishapu DC
6	Monduli DC	42	Uvinza DC	78	Masasi DC	114	Msalala DC
7	Ngorongoro DC	43	Hai DC	79	Masasi TC	115	Shinyanga DC
8	Ilala MC	44	Moshi DC	80	Mtwara DC	116	Shinyanga MC
9	Kinondoni MC	45	Moshi MC	81	Mtwara MC	117	Ushetu DC
10	Kigamboni MC	46	Mwanga DC	82	Nanyumbu DC	118	Bariadi DC
11	Ubungu MC	47	Rombo DC	83	Newala DC	119	Bariadi TC
12	Temeke MC	48	Same DC	84	Nanyamba TC	120	Busega DC
13	Bahi DC	49	Siha DC	85	Tandahimba DC	121	Itilima DC
14	Chamwino DC	50	Kilwa DC	86	Newala TC	122	Maswa DC
15	Chemba DC	51	Lindi DC	87	Ilemela MC	123	Meatu DC
16	Dodoma MC	52	Lindi MC	88	Kwimba DC	124	Ikungi DC
17	Kondoa DC	53	Liwale DC	89	Magu DC	125	Iramba DC
18	Kongwa DC	54	Nachingwea DC	90	Misungwi DC	126	Itigi DC
19	Kondoa TC	55	Ruangwa DC	91	Buchosa DC	127	Manyoni DC
20	Mpwapwa DC	56	Babati TC	92	Mwanza CC	128	Mkalama DC
21	Bukombe DC	57	Babati DC	93	Sengerema DC	129	Singida DC
22	Chato DC	58	Hanang DC	94	Ukerewe DC	130	Singida MC
23	Geita DC	59	Kiteto DC	95	Ludewa DC	131	Ileje DC
24	Geita TC	60	Mbulu DC	96	Makambako TC	132	Mbozi DC
25	Mbogwe DC	61	Simanjiro DC	97	Makete DC	133	Momba DC
26	Nyang'hwale DC	62	Mbulu TC	98	Njombe DC	134	Tunduma TC
27	Iringa DC	63	Bunda DC	99	Njombe TC	135	Songwe DC
28	Iringa MC	64	Bunda TC	100	Wanging'ombe DC	136	Igunga DC
29	Kiselo DC	65	Buliama DC	101	Bagamoyo DC	137	Kaliua DC
30	Mafinga TC	66	Musoma DC	102	Kibaha DC	138	Nzega DC
31	Mufindi DC	67	Musoma MC	103	Kibaha TC	139	Nzega TC
32	Biharamulo DC	68	Rorya DC	104	Kisarawe DC	140	Sikonge DC
33	Bukoba DC	69	Serengeti DC	105	Mafia DC	141	Tabora MC
34	Bukoba MC	70	Tarime DC	106	Kibiti DC	142	Urambo DC

UNITED REPUBLIC OF TANZANIA
 PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
 TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

No	Council	No	Council	No	Council	No	Council
35	Karagwe DC	71	Tarime TC	107	Chalinze DC	143	Uyui DC
36	Kyerwa DC	72	Busokelo DC	108	Mkuranga DC	144	Bumbuli DC
145	Misenyi DC	155	Chunya DC	165	Rufiji DC	175	Handeni DC
146	Muleba DC	156	Kyela DC	166	Kalambo DC	176	Handeni TC
147	Ngara DC	157	Mbarali DC	167	Nkasi DC	177	Kilindi DC
148	Mlele DC	158	Mbeya CC	168	Sumbawanga DC	178	Korogwe TC
149	Mpanda DC	159	Mbeya DC	169	Sumbawanga MC	179	Korogwe DC
150	Mpanda TC	160	Rungwe DC	170	Mbinga DC	180	Lushoto DC
151	Nsimbo DC	161	Gairo DC	171	Songea DC	181	Muheza DC
152	Mpimbwe DC	162	Kilombero DC	172	Songea MC	182	Mkinga DC
153	Buhigwe DC	163	Kilosa DC	173	Mbinga TC	183	Pangani DC
154	Kakonko DC	164	Morogoro DC	174	Madaba DC	184	Tanga CC

UNITED REPUBLIC OF TANZANIA
 PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
 TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies will be consistently applied, unless otherwise stated.

(a) Accounting period

The reporting period of these financial statements is the financial year of the Government which runs from 01st July 2017 to 30th June 2018.

(b) Cash and cash equivalents

Cash and bank balances in the statement of financial position comprise cash at banks (reconciled) and cash in hand. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(c) Government grants

Government grants which are revenue from non-exchange transaction are recognized both as revenue and as an assets, except to the extent that a liability also is recognized in respect of the same inflow.

Government grants whose primary condition is that the TARURA should procure, construct or otherwise acquire non-current assets are recognised upfront after satisfying all the conditions related to the funds received as grants.

UNITED REPUBLIC OF TANZANIA
 PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
 TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. They include relationship with subsidiaries, associates, joint ventures and key management personnel. Key management personnel include Chief Executive, Directors and Head of Units. The Government's transactions and arrangements are with related parties and the effects of these on the basis determined between the parties should be reflected in these financial statements.

(e) Employee benefits

Employee benefits include salaries, pensions and other related employment costs. TARURA operates defined contribution plans, where contributions are made to Local Authority Pensions Fund (LAPF) and National Social Security Fund (NSSF) where both employer and employee contributes to the funds. TARURA also operates and insured (health benefit) plan where contributions are paid to the National Health Insurance Fund (NHIF). Both the employer and employee contributes 3% of gross salary to NHIF. Employers portion of social security contributions and health benefits plan contributions are made directly to the respective funds by the Ministry of Finance.

(f) Revenue

Revenue represents amount earned not necessarily received during the year the financial year, and comprises non tax revenue.

Non Tax Revenue

All revenue collected by TARURA which is not related to the tax activities, this include levies, fees, fines, penalties, permits and other revenue.

(g) Expenses

Under accrual basis expenditure is recorded in the book of accounts when it is incurred and not necessarily when it is paid.

UNITED REPUBLIC OF TANZANIA
 PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
 TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Inventories

Inventories held for distribution at no charge or for a nominal charge are stated at the lower of cost and current replacement cost. Current cost is the cost the entity would incur to acquire the asset on the reporting date. All inventories are held for distribution at no charge and are stated at the lower of cost and current replacement cost.

(i) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement receivables are carried at amortized cost less any allowance for impairment.

(j) Comparatives

To ensure consistency with current period, comparative figures are reclassified where appropriate.

(k) Property, plant and equipment

Property, plant and equipment (PPE) are initially stated at cost. Subsequently they are measured at cost excluding the costs of day-to-day servicing, less accumulated depreciation or subsequent accumulated depreciation and accumulated impairment or subsequent impairment loss in value. Such cost includes the cost of any replacement parts in accordance with the related recognition criteria. Depreciation is calculated on a straight-line basis over the useful life of the assets.

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PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
TANZANIA RURAL AND URBAN ROADS AGENCY (TARURA)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The annual rates of depreciation which have been consistently applied are:

Description	Years
Administration assets	
Plant and machinery	15
Furniture and fixture	5
Office equipment	5
Motor vehicles	
▪ Heavy duty (5 tons and above)	10
▪ Light duty (below 5 tons)	5
Motor cycle	7
Computer (Desktop and Laptop)	4
Document processing equipments e.g. Photocopiers, printers, shredders etc	7
Uninterruptible power supply (UPS)	7
Infrastructural assets	
Roads	
▪ Gravel roads	4
▪ Culverts/drifts (Gravel roads/Earth roads)	4
▪ Tarmac roads and culverts/drifts - Asphalt	10
▪ Tarmac roads – Surface Dressing	7
▪ Earth roads	NIL
Bridges	
▪ Wooden bridges	2
▪ Concrete bridges	100
▪ Steel bridges	50
Drainage systems	15
Plant and machinery	15
Furniture, fixture and equipments	10
Motor vehicles	
▪ Heavy duty (5 tons and above)	10
▪ Light duty (below 5 tons)	5
Motor cycle	7
Computer hardware	5

The carrying values of cash – generating property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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FOR THE YEAR ENDED 30 JUNE 2018 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation of an item of property, plant and equipment begins when it is available for use i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an item of property, plant and equipment ceases when it is derecognized. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use and held for disposal unless the asset is fully depreciated.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of financial performance in the year the asset is derecognised.

The residual values, useful lives and methods of depreciating property, plant and equipment are reviewed, and adjusted if appropriate, at each financial year end.

When each major inspection is performed, its cost is recognised in the carrying amount of property, plant and equipment as a replacement if the recognition criteria are satisfied.

The following recognition criteria are used for roads:

Description	Years
Road formation	20
Routine maintenance (expensed)	N/A
Spot maintenance*	
Periodic maintenance	
▪ Gravel roads	4
▪ Tarmac roads - Asphalt	10
▪ Tarmac roads - Surface Dressing	7

*Spot maintenance is evaluated on individual basis to determine whether they meet the recognition criteria for an asset, or need to be expensed

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 FOR THE YEAR ENDED 30 JUNE 2018 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Taxes

TARURA is exempt from tax on the surplus/deficit for the year.

Value added tax

Revenues, expenses and assets are recognised inclusive of the amount of value added tax (VAT).

(o) Events after reporting date

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- those those are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

5. SIGNIFICANT ACCOUNTING JUDGMENT, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgments

In the process of applying the Council's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements.

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Determination of the useful lives of property, plant and equipment

Management uses reasonable judgment in determining the useful lives and hence depreciation rates of the items of property, plant and equipments.

6. EARLY ADOPTION OF IPSAS 40

This is the first set of financial statements prepared by TARURA after its establishment. Management has made early adoption of IPSAS 40 (the effective date of this IPSAS is 1st January, 2019) which allows assets and liabilities to be reported at their carrying amount. Therefore, Assets and Liabilities have been reported at their carrying amount from Councils according to para 26 which states that the resulting entity shall measure the identifiable assets and liabilities of the combining operations as at the amalgamation date. TARURA has reported 378 assets without Value because those assets were transferred from Councils without value, therefore TARURA is in the process of establishment of their value which will be reported in subsequent periods.

7.0 RISK MANAGEMENT

TARURA is subject to a number of financial and operational risks, hazard and strategic risks and is responsible for ensuring appropriate risk management strategies and policies are in place within any mandate provided by legislation.

All types of risk associated with the Government activities are managed through the policy analysis department in the Ministry of Finance and Planning through the Risk Management Framework.

a) Interest Rate Risk

Interest risk refers to the risk of loss due to adverse movement in interest risk. In general interest rate risk managed strategically by issuing a mix of fixed and floating rate debt.

b) Foreign Exchange Risk

Foreign exchange risk refers to the risk of loss due to adverse movements in foreign exchange rates. A range of instruments is currently being used to minimize the Government's exposure to foreign exchange risk which includes currency.

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c) Liquidity Risk

Liquidity risk refers to the lack of liquidity preventing quick or cost-effective liquidation products, positions or portfolios. Liquidity risk is managed on an individual entity basis, which generally requires entities to hold assets of appropriate quantity and quality to meet all their obligations as they fall due.

d) Credit Risk

Credit risk refers to the risk of loss due to the nonperformance by counterparties to discharge an obligation. Financial instruments which subject the Government to credit risk include bank balances and receivables, advanced and instruments.

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B SEGMENTED FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION

	30-June-18 HQ Tzs	30-June-18 REC/Councils Tzs	30-June-18 Total Tzs
ASSETS			
Current Assets			
Cash and cash equivalents	15,205,105,882	112,859,078,957	128,064,184,839
Receivables and prepayments	974,851,958	4,436,968,276	5,411,820,242
Inventories	-	123,976,576	123,976,576
Prepayments	-	3,771,227,686	3,771,227,686
	16,179,957,840	117,420,023,809	137,371,209,343
Non-current assets			
Property, plant and equipment	1,854,704,609	780,004,285,333	781,858,989,942
Intangible assets	63,084,859	-	63,084,859
TOTAL ASSETS	18,097,747,315	897,424,309,142	919,293,284,143
LIABILITIES			
Current liabilities			
Payables and accruals	124,710,482	22,115,045,668	22,239,756,150
Employee benefits	1,722,728,300	-	1,722,728,300
Deferred income (Revenue)	12,820,422,166	58,752,877,085	69,573,299,250
	14,667,860,947	78,867,922,753	93,535,783,700
Non-current liabilities			
Deferred income (Capital)	2,417,865,653	30,362,045,288	32,779,910,941
	2,417,865,653	30,362,045,288	32,779,910,941
TOTAL LIABILITIES	17,085,726,600	109,229,968,040	126,315,694,641
NET ASSETS	1,012,020,715	788,194,341,102	792,977,589,503
NET ASSETS			
Taxpayers Fund	-	776,654,855,238	776,654,855,238
Accumulated Surplus/(Deficit)	(20,520,325,116)	36,843,259,380	18,322,934,264
Other Reserves	-	-	-
TOTAL NET ASSETS	(20,520,325,116)	813,497,914,619	792,977,589,503

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8 SEGMENTED FINANCIAL STATEMENTS
 STATEMENT OF FINANCIAL PERFORMANCE

	30-June-18 HQ Tzs	30-June-18 REC/Councils Tzs	30-June-18 Total Tzs
Revenue			
Fees, fines, penalties and permit	500,000.00	1,228,627,146	1,227,127,146
Current grant, transfers and subsidies received	9,472,615,622	89,969,447,114	99,442,062,738
Other revenue	13,930,207	48,373,576	62,303,783
Amortization of capital grant	15,832,827,722	167,340,695,743	183,173,523,465
	25,319,873,551	258,585,143,580	283,905,017,131
Expenses			
Wages, salaries and employee benefits	3,173,243,430	3,340,218,214	6,513,461,644
Supplies and consumables used	3,141,342,647	10,718,383,421	13,859,726,068
Routine repair and maintenance expenses	1,731,797,170	76,420,719,325	78,152,516,495
Other expenses	430,491,261	603,549,192	1,034,040,453
Grants and other transfer payments	500,000,000	-	500,000,000
Interest expenses	6,755,571	5,267,503	12,024,074
Depreciation of property, plant and equipment	169,521,722	167,340,792,410	167,510,314,132
Surplus/(Deficit) during the year			
	9,153,152,801	258,428,930,065	267,582,082,867
Surplus/(Deficit) during the year	16,166,720,750	156,213,514	16,322,934,264

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B SEGMENTED FINANCIAL STATEMENTS
STATEMENT OF CASH FLOW

	30-June-18 HQ Tzs	30-June-18 REC/Councils Tzs	30-June-18 Total Tzs
Cash flows from operating activities			
Receipts			
Fees, fines, penalties and permit	500,000	1,226,627,146	1,227,127,146
Recurrent (Grant, transfers and subsidies) received	26,289,583,517	62,846,572,878	119,136,236,395
Other revenue	13,898,000	48,405,783	62,303,783
Payments			
Wages, salaries and employee benefits	(1,450,515,130)	(3,340,018,215)	(4,790,533,345)
Supplies and consumables used	(2,952,238,688)	(11,176,949,559)	(14,129,188,246)
Routine repair and maintenance expenses	866,340,877	(79,546,719,542)	(78,978,378,985)
Other expenses	(290,991,261)	(602,799,192)	(893,790,453)
Grants and other transfer payments	7,291,955,957	(8,130,221,747)	(838,266,690)
Interest expenses	(3,154,356)	(5,436,504)	(8,590,860)
Net cash from operating activities	29,767,358,016	(8,980,439,252)	20,786,918,764
Cash flows from investing activities			
Acquisition of property, plant and equipment	(3,769,557,162)	(179,340,881,445)	(183,110,438,607)
Acquisition of intangible assets	(63,084,859)	-	(63,084,859)
Net cash from investing activities	(3,832,642,020)	(179,340,881,445)	(183,173,523,465)
Cash flows from financing activities			
Development grants received	5,614,091,975	190,841,320,284	196,455,411,958
Increase in deposit others	7,029,206,726	-	7,029,206,726
Net cash flows from financing activities	12,643,298,401	190,841,320,284	203,484,618,684
Net increase/(decrease) in cash and cash equivalents	38,578,014,396	2,519,999,687	41,098,013,983
Cash and cash equivalents at the beginning of the period	-	86,966,170,856	86,966,170,856
Cash and cash equivalents at the end of the period	38,578,014,396	89,486,170,443	128,064,184,839

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	Elimination Adjustments		
	30 June 2018 TZS	30 June 2018 TZS	30 June 2018 TZS
9 FEES, FINES AND PENALTIES, PERMITS			
Utilization of road reserve	882,870,208.97	453,854,189.03	428,978,312.94
Lender fees	629,706,000.33	-	629,706,000.55
Fines and penalties	203,669,603.38	35,434,077.50	168,735,625.89
Parking fees	209,300.00	-	209,300.00
	1,716,455,412.69	489,328,266.53	1,227,127,148.16
10 RECURRENT GRANTS, TRANSFERS AND SUBSIDIES RECEIVED			
Balance at the beginning of the year	-	-	-
Received during the year			
Road Board Fund	115,399,152,689	-	115,399,152,689
European Union (EU)	630,982,509	-	630,982,509
DFID/IRAT	2,139,448,060	-	2,139,448,060
CICF	11,000,000	-	11,000,000
Other Grants	955,653,156	-	955,653,168
Other Transfers	49,415,477,407	-	49,415,477,407
Deferred Grant Received During the year	-	-	-
Receipts in kind	483,703,184	-	483,703,184
Total Grant	169,016,361,986		169,016,361,986
Amount utilized/incurred during the year (Amortization)	99,442,062,736	-	99,442,062,736
Balance at the end of the year (Deferred - Expenditure not incurred)	69,573,299,250		69,573,299,250
11 OTHER REVENUE			
Other revenues	62,303,783	-	62,303,783
	62,303,783		62,303,783
12 WAGES, SALARIES AND EMPLOYEE BENEFITS			
Basic salaries (NOT Pensionable)	691,118,394	-	691,118,394
Employment allowances	5,622,343,250	-	5,622,343,250
	6,313,461,644		6,313,461,644
13 SUPPLIES AND CONSUMABLE USED			
Communication and information	562,913,104	-	562,913,104
Hospitality	210,175,151	-	210,175,151
Office supplies and services	1,518,039,088	-	1,518,039,088
Rental Expenses	586,757,835	-	586,757,835
Utilities	32,552,010	-	32,552,010
Fuel and Oil	2,386,796,390	-	2,386,796,390
Travel and subsistence	7,545,237,440	-	7,545,237,440
Training expenses	853,900,994	-	853,900,994
Other expenses	144,354,056	-	144,354,056
	13,859,726,068		13,859,726,068
14 ROUTINE REPAIR AND MAINTENANCE EXPENSES			
Physical infrastructure	76,058,672,712	-	76,058,672,712
Vehicles and mobile equipments	2,042,546,996	-	2,042,546,996
Office equipment and appliances	51,297,787	-	51,297,787
	78,152,516,485		78,152,516,485
15 OTHER EXPENSES			
Audit Fee	339,500,000	-	339,500,000
Bonus Expenses	12,575,739	-	12,575,739
Consultancy Fee	681,964,714	-	681,964,714
	1,034,040,453		1,034,040,453

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	30 June 2018	Elimination Adjustments	30 June 2018
	TzS		TzS
16 GRANTS AND OTHER TRANSFER PAYMENTS			
Roads Transfers	298,640,117,035		298,140,117,035
Administration Transfers	1,120,577,632		1,120,577,632
	299,760,694,667		299,260,694,667
17 INTEREST EXPENSES			
Bank charges and commissions	12,024,074		12,024,074
	12,024,074		12,024,074
18 CASH AND CASH EQUIVALENTS			
Bank balances with Government Owned Banks	128,052,373,021		128,052,373,021
Bank balances with other Private Banks	11,111,616		11,111,616
Cash in hand	700,000		700,000
	129,064,184,639		129,064,184,639
19 RECEIVABLES AND PREPAYMENTS			
Deferred receivables	80,656,475,670	(80,656,475,670)	
Advances to other government entities	1,292,709,166		1,292,709,166
Other miscellaneous receivables to government entities	3,135,773,586		3,135,773,586
Staff advances and imprest	30,597,588		30,597,588
Other miscellaneous receivables to third parties	952,739,902		952,739,902
	86,068,295,912	(80,656,475,670)	5,411,820,242
20 INVENTORIES			
Raw materials	884,400		884,400
Computer supplies and accessories	160,000		160,000
Cleaning supplies	356,000		356,000
Fuel	71,866,173		71,866,173
Spare parts			
Office consumables (Stationeries, etc)	50,890,003		50,890,003
	123,976,576		123,976,576
Less: Provision for obsolete stock			
	123,976,576		123,976,576
21 PREPAYMENTS			
Prepayments to government entities	465,834,336		465,834,336
Prepayments to third parties	3,305,293,351		3,305,293,351
	3,771,227,686		3,771,227,686

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 FOR THE YEAR ENDED 30 JUNE 2018

22 PROPERTY, PLANT AND EQUIPMENT

Categories of Assets (Cash Generating Units)	Cost										Accumulated Depreciation and Accumulated Impairment	
	Cost 01 July 2017 Tz	Additions (Monetary) Tz	Disposals (Monetary) Tz	Transfers Tz	Balance 30 June 2018 Tz	Balance 01 July 2017 Tz	Depreciation charge Tz	Impairment charge Tz	Transfer Tz	Balance 30 June 2018 Tz	Carrying value 30 June 2018 Tz	
Administration assets												
Land	14,320,000	347,340 Tz	-	84,350,000	147,550,000	44,900,000	15,827,993	-	-	61,887,993	347,550,000	
Buildings	0 707,353,307	700,000,000	-	302,045,504	1,709,398,811	2,277,962,841	1,307,575,717	-	-	4,514,884,608	641,466,019	
Motor vehicles	-	2,787,510,474	-	650,964,174	9,918,512,279	9,918,512,279	38,842,941	-	-	34,783,556	6,900,230,671	
Furniture, motor cars and equipment	256,800,925	858,226,216	-	230,810,000	944,050,378	50,440,710	137,423,621	-	-	198,509,842	754,560,536	
Office and residential furniture	830,605,747	307,426,075	-	74,835,723	1,348,950,820	60,275,421	174,155,650	-	-	242,232,071	1,100,351,975	
Computers	345,445,072	528,571,985	-	31,012,210	1,209,029,083	68,077,007	233,819,711	-	-	419,072,267	887,377,866	
Work in Progress	-	-	-	-	1,570,981,273	192,292,550	-	-	-	419,072,267	1,159,279,007	
Sub Total	8,912,207,688	5,784,588,642	-	1,129,140,733	15,766,763,941	2,089,006,463	1,337,006,674	-	-	4,228,813,138	11,137,940,862	
Infrastructure assets												
Drainage network	90,049,798,111	13,622,634,939	-	33,100,547	66,521,572,810	5,377,434,483	4,344,094,258	-	-	10,228,570,648	38,398,022,170	
Road network	997,886,056,812	59,006,300,825	-	1,750,380,338	378,096,575,327	254,290,398,488	153,096,907,083	-	-	467,387,505,511	570,744,267,156	
Bridges	4,316,774,710	30,352,213,031	-	1,898,177,264	148,987,000,030	20,831,934,207	8,238,409,634	-	-	25,067,344,536	117,949,725,746	
Work in Progress	4,235,878,112	42,634,554,548	-	1,720,000,000	66,214,464,043	281,067,415,675	163,571,107,498	-	-	446,638,733,173	46,514,464,043	
Sub Total	1,030,873,429,343	176,586,245,524	-	1,129,140,733	1,311,358,772,253	281,067,415,675	163,571,107,498	-	-	446,638,733,173	770,725,049,000	
Total (net & WIP)	-039,383,147,493	182,371,831,273	-	1,129,140,733	1,333,126,926,194	243,737,222,120	167,570,114,137	-	-	45,267,536,352	781,058,309,942	

Note: The amount paid for PPE differs with the amount reported in cash flow statement by TzS. 739,007,334 because this was paid to creditors relating with PPE which were recognized in the previous year.

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23 INTANGIBLE ASSETS

Categories of Assets (Cash Generating Units)	Cost/Revaluation		Accumulated Depreciation and Accumulated Impairment				Carrying value 30 June
	Cost/Revaluation 01 July	Additions (Monetary)	Balance 30 June	Charge During the Year/ Amortisation	Charge During the Year/ Impairment	Transfer	
2018							
Computer Software	-	53,084,859	53,084,859	-	-	-	53,084,859
Patents Use	-	-	-	-	-	-	-
Copyrights	-	-	-	-	-	-	-
Other Intangibles	-	-	-	-	-	-	-
Work in Progress	-	-	-	-	-	-	-
Swth Total	-	53,084,859	53,084,859	-	-	-	53,084,859

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	30 June 2016	Elimination Adjustments	
		30 June 2018	30 June 2018
	TzS	TzS	TzS
24 PAYABLES AND ACCRUALS			
Retention money	16,790,281,630	-	16,790,281,630
Accrued expenses	1,677,674,800	-	1,677,674,800
Miscellaneous accounts payable	14,165,905,947	(10,394,306,228)	3,771,599,719
	32,634,062,377	(10,394,306,228)	22,239,756,150
25 EMPLOYEE BENEFITS			
Accrued pay	1,722,728,300	-	1,722,728,300
Annual leave	-	-	-
Sick leave	-	-	-
Other employees' benefits	-	-	-
	1,722,728,300	-	1,722,728,300
26 DEFERRED INCOME			
Capital relates to terms property, plant and equipments received from Government and donors			
Cost			
At the beginning of the year	-	-	-
Received during the year (Cash)	196,455,411,950	-	196,455,411,950
Transfers/Adjustments	19,498,022,448	-	19,498,022,448
At the end of the year	215,953,434,406	-	215,953,434,406
Amortisation			
Amortisation charge for the year	183,173,523,465	-	183,173,523,465
Transfers/Adjustments	-	-	-
At the end of the year	183,173,523,465	-	183,173,523,465
Balance at year end	32,779,910,941	-	32,779,910,941
27 RELATED PARTY TRANSACTIONS			
<u>Key management personnel</u>			
Key management personnel constitute CEO, directors of directorates, head of units	No.		
Salaries & Other short term benefits			
CEO	1	20,080,000	20,080,000
Director of Directorates	3	17,030,000	17,030,000
Head of Units/Managers	10	-	-
Regional Coordinators	26	-	-
Loans and Advances			
CEO	1	-	-
Director of Directorates	3	-	-
Head of Units/Managers	10	-	-
Regional Coordinators	26	-	-
Post-employment benefits			
CEO	1	-	-
Director of Directorates	3	-	-
Head of Units/Managers	10	-	-
Regional Coordinators	26	-	-

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28 LIQUIDITY RISK

	TzS	TzS	TzS	TzS	TzS	TzS	TzS
30 June 2018	Up to 1 Month	1-3 Months	3-12 Months	13-15 Months	Over 5 Years	Over 5 Years	Total
Payables and Accruals	22,239,796,190	-	-	-	-	-	22,239,796,190
Deposits	7,029,206,726	-	-	-	-	-	7,029,206,726
	29,268,962,876						29,268,962,876
CREDIT RISK							
Cash and Cash Equivalents	128,064,184,839	-	-	-	-	-	128,064,184,839
Receivables and Prepayments	5,411,820,242	-	-	-	-	-	5,411,820,242
Prepayments	3,771,227,686	-	-	-	-	-	3,771,227,686
	137,247,232,767						137,247,232,767

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30 REVENUES ON CASH AND ACCRUAL

Description	Amount Received, In Accrual	Actual Amount Received
	A	B
1	2	3
Fees, fines, penalties and permit		
Utilization of road reserve	822,870,509	822,870,509
Tender fees	629,706,000	629,706,000
Fines and penalties	203,669,604	203,669,604
Parking fees	209,300	209,300
Sub Total	1,716,485,412	1,716,485,412
Other revenue	62,303,783	62,303,783
Sub Total	62,303,783	62,303,783
Grand Total Own Source	1,778,789,195	1,778,789,195

31 GRANT RECEIVED (Actual)

Description	Total Receipts
1	2
Recurrent	
Road Board Fund	207,561,985,783.08
European Union (EU)	10,017,038,873.80
USAID	-
DFID/HAH	24,475,056,198.78
CCCF	11,900,550.50
LGDC	-
Other Grants	3,039,790,109.59
Total Recurrent	240,194,867,541.03
Capital	
Road Board Fund	239,955,331,894.72
European Union (EU)	7,918,060,722.40
USAID	8,225,268,319.00
IRAT	20,705,905,795.73
CCCF	-
LGDC	-
Other Grants	7,129,247,708.38
Total Capital	342,332,842,440.23
Total Grant/Received	582,527,310,081.26

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32 EXPENDITURES ON ACCRUAL AND CASH

Description	Total Expenditure on Accrual	Expenditure on Cash
	A	B
a: Wages, salaries and employee benefits	6,513,461,644	4,790,533,345
Sub Total	6,513,461,644	4,790,533,345
b: Supplies and consumables used	13,659,726,088	14,129,188,248
Sub Total	13,659,726,088	14,129,188,248
c: Routine repair and maintenance expenses	78,152,516,495	78,976,378,985
Sub Total	78,137,957,821	78,976,378,985
d: Other expenses	1,034,040,453	893,790,453
Sub Total	1,034,040,453	893,790,453
e: Grants and other transfer payments	500,000,000	638,288,890
Sub Total	500,000,000	638,288,890
f: Interest expenses		
Bank charges and commissions	12,024,074	8,590,860
Sub Total	12,024,074	8,590,860
Total Recurrent	190,057,210,060	99,536,748,560
g: Capital		
Acquisition of PPE	192,608,847,959	183,110,435,607
Acquisition of Intangible Assets	83,084,859	63,084,859
Total Capital	192,691,932,818	183,173,520,466
Total Expenditure	382,749,142,878	282,710,269,026

NB: Expenses on accrual are recognised when incurred that means not necessary paid but expenditure on cash are recognised when paid.

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 FOR THE YEAR ENDED 30 JUNE 2018

		30 June 2018
		TZS
33	DEPOSITS	
	Rent/rental money from CC/MD/TD/DED	5,923,231,872.80
	Liquidated damage from CC/MD/TD/DED	106,974,853.29
		7,029,206,726.09

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34 BUDGET DISCLOSURE

	Original Budget		Carry Over Budget	Supplementary Budget	Final Budget	Actual Amount	Variance
	A	B					
Road Fund - Maintenance	283,749,150,000	-	-	-	283,749,150,000	235,426,122,045	48,322,987,955
Road Fund - Development	23,397,302,145	31,626,388,380	-	-	57,624,187,529	30,164,993,595	27,438,996,933
Special Fund	-	-	-	1,337,366,619	1,037,366,615	1,107,366,619	-
EU	7,387,465,299	21,044,410,300	-	-	28,129,875,259	9,283,353,454	19,042,827,805
USAID	20,742,726,400	-	-	-	20,742,726,400	6,225,266,319	14,517,456,081
DFID/RAT	-	25,598,043,891	-	-	25,598,043,891	22,841,247,832	3,757,395,059
SDFCF	-	1,000,000	-	-	11,000,000	1,000,000	-
Borrower Fund (Retention Money/Liquidated Demands)	-	-	13,684,624,214	-	13,684,624,214	7,020,206,726	6,615,477,488
Other Grant (Contribution of Councils Districts)	-	-	-	10,582,536,485	10,582,536,485	10,582,536,485	-
Own Sources	-	-	-	1,289,430,929	1,289,430,929	1,289,430,929	-
Carry Over Fund from 2016/2017	-	-	86,956,170,856	-	86,956,170,856	86,956,170,856	-
Total Revenue	335,570,605,606	161,931,737,342	161,931,737,342	12,909,396,037	520,411,737,197	419,876,456,655	119,535,280,322

1: Road Fund - The significant variation was due to delay of disbursement of fund from the road board.
 2: European Union - The significant variation was due to delay of disbursement of fund from European Union.
 3: USAID - The significant variation was due to delay of disbursement of fund from USAID.
 4: DFID/RAT - The significant variation was due to delay of disbursement of fund from DFID/RAT.

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NOTES TO THE FINANCIAL STATEMENTS
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35 Assets received with no value from Councils

S/N	Region	Asset Description	Location
1	IRINGA	CUP BOARD - MDF - 7 Doors	KILOLO DC
2	IRINGA	KITCHEN CABINET - Wooden	KILOLO DC
3	ARUSHA REGION	OFFICE CABINET	ARUSHA DC
4	IRINGA	OFFICE CHAIR - Wooden	KILOLO DC
5	IRINGA	OFFICE CHAIR - Wooden	KILOLO DC
6	IRINGA	OFFICE CHAIR - Wooden	KILOLO DC
7	IRINGA	OFFICE CHAIR - Wooden	KILOLO DC
8	IRINGA	OFFICE CHAIR -IMPORTED	KILOLO DC
9	IRINGA	OFFICE CHAIR -IMPORTED	KILOLO DC
10	IRINGA	OFFICE CHAIR -IMPORTED MDF	KILOLO DC
11	IRINGA	OFFICE CHAIR -IMPORTED Steel	KILOLO DC
12	IRINGA	OFFICE CHAIR -IMPORTED Steel	KILOLO DC
13	DODOMA REGION	TABLE WOODEN SIZE 73 X 148	CHAMWINO DC
14	DODOMA REGION	TABLE WOODEN SIZE 90 X 153	CHAMWINO DC
15	DODOMA REGION	TABLE WOODEN SIZE 90 X 153	CHAMWINO DC
16	DODOMA REGION	TABLE WOODEN SIZE 90 X 168	CHAMWINO DC
17	KILIMANJARO REGION	CAMERA CANON HD IXUS 177	MOSHI MC
18	IRINGA	OFFICE CHAIR-5 STEEL	MFINDI DC
19	MBEYA REGION	1 BINDING MASHINE	MBARALI DC
20	MBEYA REGION	1 BOOK SHELF (SHELF)	MBARALI DC
21	MBEYA REGION	1 EXECUTIVE CHAIR-Made in China	MBARALI DC
22	MOROGORO REGION	10 tables	MOROGORO MC
23	MOROGORO REGION	16 chairs	MOROGORO MC
24	MBEYA REGION	1 CUPBOARD (MNINGA)	MBARALI DC
25	MBEYA REGION	1GPS (GARMIN 645)	MBARALI DC
26	KAGERA REGION	2 Executive Chairs	BUKOKA DC
27	MOROGORO REGION	2 Steel cabinets	MOROGORO MC
28	TABORA REGION	2 Steel cabinets	NZEGA DC
29	KUVUMA REGION	2 wooden curved table	SONGEA MC
30	MOROGORO REGION	2 wooden cabinets	MOROGORO MC
31	NJOMBE REGION	3 Tables	MAFIA DC
32	PWANI REGION	3 Tables	MAFIA DC
33	MOROGORO REGION	3 Air conditioners	MOROGORO MC
34	NJOMBE REGION	4 Chairs	MAFIA DC
35	PWANI REGION	4 Chairs	MAFIA DC
36	MBEYA REGION	6 OFFICE CHAIRS (MNINGA)	MBARALI DC
37	MBEYA REGION	8 OFFICE TABLES-MNINGA	MBARALI DC
38	MOROGORO REGION	AIR CONDITION MDC/WKS/AC/001	MOROGORO DC
39	MOROGORO REGION	AIR CONDITION MDC/WKS/CO/AC/002	MOROGORO DC
40	DODOMA REGION	ALUMINIUM SHELVES	DODOMA MC
41	DODOMA REGION	ALUMINIUM SHELVES	DODOMA MC
42	IRINGA	ARMED OFFICE CHAIR WOODEN MDF	IRINGA MC
43	MBEYA REGION	ARMREST CHAIR	MBEYA CC
44	IRINGA	BENCH - WOODEN	KILOLO DC
45	MWANZA REGION	Bench 1	UKERWE DC
46	RUKWA REGION	Bench, wooden, 8seaters	SUMBAWANGA DC
47	TABORA REGION	BOOK SHELVES	SIKONGE DC
48	DODOMA REGION	BOOK SHELVES - WOODEN SMALL SIZE	CHAMWINO DC
49	KAGERA REGION	BOOK SHELVES - TRR/KGR/NG/55/01	NGALA DC
50	DODOMA REGION	BOOK SHELVES - WOODEN SMALL SIZE	CHAMWINO DC
51	RUKWA REGION	book shelf, wooden, 2x3 tiers small	SUMBAWANGA DC
52	RUKWA REGION	Book shelf, wooden, 6x4 tiers, small	SUMBAWANGA DC

53	RUKWA REGION	Bookshelf wooden 114ties	NKASI DC
54	RUKWA REGION	Bookshelf wooden 213 ties small	NKASI DC
55	RUKWA REGION	Bookshelf wooden 214ties	NKASI DC
56	MARA	CABINET	MUSOMA DC
57	KAGERA REGION	CABINET - TRR/KGR/NG/WCB/04	NGALA DC
58	IRINGA	CABINET - Wooden	KILOLO DC
59	IRINGA	CABINET - Wooden	KILOLO DC
60	SINGIDA REGION	Cabinet File	SINGIDA MC
61	MWANZA REGION	CABINET RIGID	SENGEREMA DC
62	KILIMANJARO REGION	CAMERA	SAMEDC
63	SONGWE REGION	Camera	MBOZI DC
64	DODOMA REGION	CAMERA (PENTAX)	CHAMWINO DC
65	SINGIDA REGION	Camera (Two in Number)	MKALAMA DC
66	RUVUMA REGION	CAMERA SAMSUNG (1)	NYASA DC
67	MOROGORO REGION	CAMERA SONY DIGITAL	MOROGORO DC
68	DAR ES SALAAM REGION	Canon Image runner 2520 PhotoCopier Machine	TEMEKE MC
69	TANGA REGION	CANON PRINTER	KILINDI DC
70	IRINGA	CABINET WOODEN	IRINGA MC
71	NJOMBE REGION	CARVAN RD	BAGAMOYO DC
72	PWANI REGION	CARVAN RD	BAGAMOYO DC
73	MOROGORO REGION	CENTRAL PROCESSING UNIT	KILOMBERO DC
74	SIMUYU REGION	Central Processing Unit (CPU)	BARIADI DC
75	GEITA REGION	Chair	BUKOMBE DC
76	GEITA REGION	Chair	BUKOMBE DC
77	GEITA REGION	Chair	BUKOMBE DC
78	MTWARA REGION	Chair	NANYUMBU DC
79	MTWARA REGION	Chair	NANYUMBU DC
80	RUVUMA REGION	CHAIR (1)	NYASA DC
81	RUKWA REGION	CHAIR WOODEN	KALAMBO DC
82	RUKWA REGION	CHAIR WOODEN	KALAMBO DC
83	RUKWA REGION	Chair wooden	NKASI DC
84	GEITA REGION	Chair, wooden arm and back rest PVC cover	BUKOMBE DC
85	MWANZA REGION	Chairs	MISUNGWI DC
86	SINGIDA REGION	Chairs	SINGIDA MC
87	RUKWA REGION	Chairs wooden	NKASI DC
88	RUKWA REGION	Chairs wooden	NKASI DC
89	RUKWA REGION	Chairs wooden sponge seat	NKASI DC
90	RUKWA REGION	Chairs wooden sponge seat	NKASI DC
91	SINGIDA REGION	Chairs(Two in Number)	MKALAMA DC
92	RUKWA REGION	Chairs,wooder	SUMBAWANGA DC
93	RUKWA REGION	Chairs,wooder	SUMBAWANGA DC
94	RUKWA REGION	Chairs,wooder	SUMBAWANGA DC
95	RUKWA REGION	Chairs,wooden,sponge seat	SUMBAWANGA DC
96	RUKWA REGION	Chairs,wooden,sponge seat	SUMBAWANGA DC
97	RUKWA REGION	Chairs,wooden,sponge seat,leather cover	SUMBAWANGA DC
98	MOROGORO REGION	COMB BINDING MACHINE	KILOMBERO DC
99	MOROGORO REGION	computer	MOROGORO MC
100	MWANZA REGION	Computer	MISUNGWI DC
101	TABORA REGION	COMPUTER	SIKONGE DC
102	IRINGA	COMPUTER DESKTOP	MFINDI DC
103	DAR ES SALAAM REGION	Computer - Desktop - HP	TEMEKE MC
104	DAR ES SALAAM REGION	Computer - Laptop - Dell	TEMEKE MC
105	DAR ES SALAAM REGION	Computer - Laptop - Dell	TEMEKE MC
106	DAR ES SALAAM REGION	Computer - Laptop - HP	TEMEKE MC
107	MWANZA REGION	Computer "Desktop" - HP L1706 "	MAGU DC
108	SINGIDA REGION	Computer & Equipment-Computer Monitor-TRR/SGD/IMBDC/DTC/01	IRAMBA DC
109	SINGIDA REGION	Computer & Equipment-Computer Monitor-TRR/SGD/IMBDC/DTC/02	IRAMBA DC
110	SINGIDA REGION	Computer & Equipment-Computer Monitor-TRR/SGD/IMBDC/DTC/03	IRAMBA DC
111	SINGIDA REGION	Computer & Equipment-CPU-TRR/SGD/IMBDC/CPU/01	IRAMBA DC

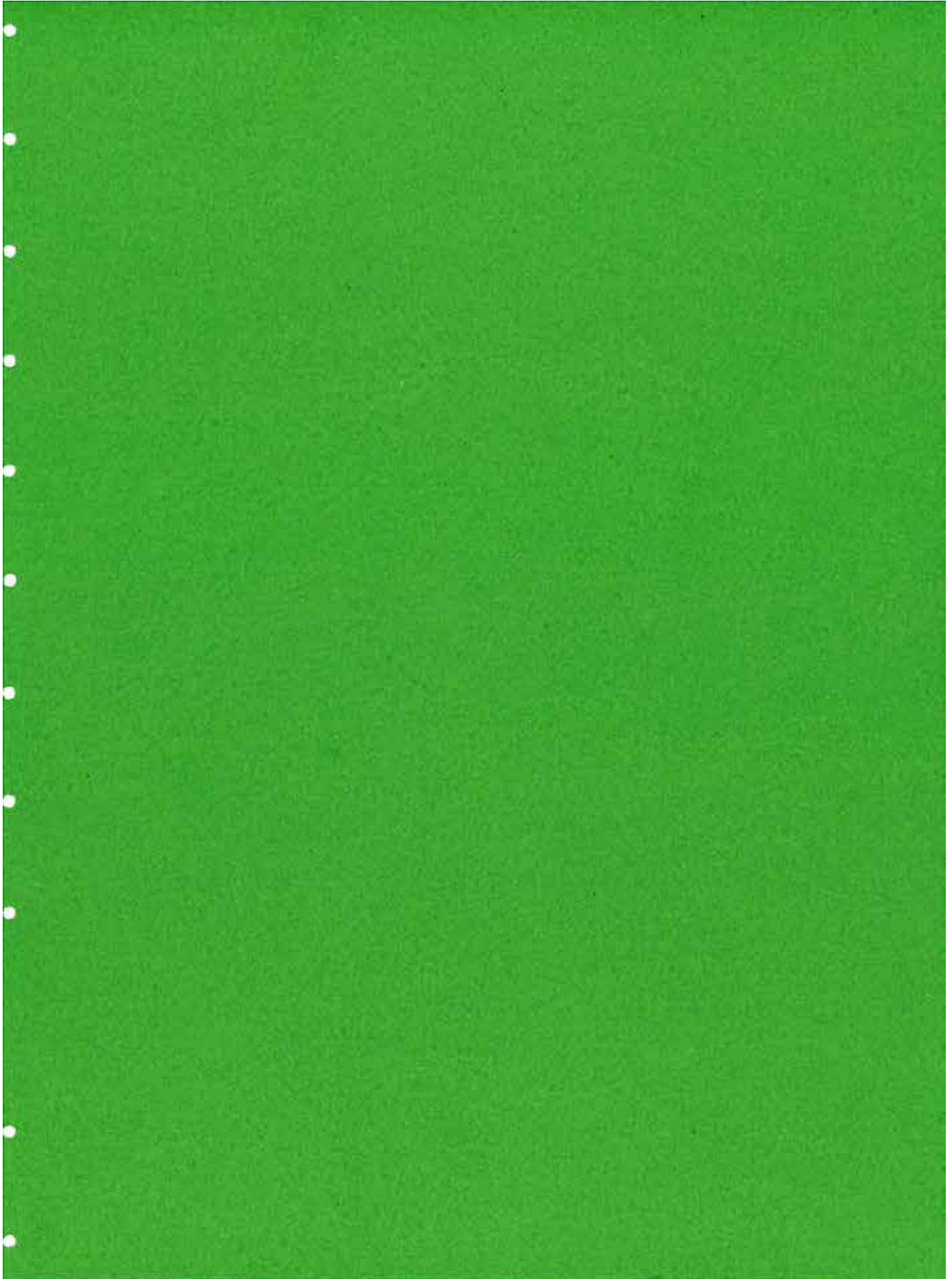
112	SINGIDA REGION	Computer & Equipment-CPU-TRR/SGD/IMBDC/CPU/02	IRAMBA DC
113	SINGIDA REGION	Computer & Equipment CPU-TRR/SGD/IMBDC/CPU/02	IRAMBA DC
114	SINGIDA REGION	Computer & Equipment-CPU-TRR/SGD/IMBDC/CPU/03	IRAMBA DC
115	SINGIDA REGION	Computer & Equipment-UPS-TRR/SGD/IMBDC/UPS/01	IRAMBA DC
116	SINGIDA REGION	Computer & Equipment-UPS-TRR/SGD/IMBDC/UPS/02	IRAMBA DC
117	SINGIDA REGION	Computer & Equipment-UPS-TRR/SGD/IMBDC/UPS/04	IRAMBA DC
118	DODOMA REGION	Computer Dell	MPWAPWA DC
119	DODOMA REGION	computer Dell	MPWAPWA DC
120	DODOMA REGION	Computer Dell	MPWAPWA DC
121	KAGERA REGION	COMPUTER DELL DESKTOP	BUKOBA MC
122	TABORA REGION	Computer DELL Flat Screen -2	TABORA MC
123	MBEYA REGION	COMPUTER DESK TOP	MBEYA CC
124	SINGIDA REGION	Computer Desk Top	MKALAMA DC
125	SINGIDA REGION	Computer Desk top	SINGIDA MC
126	MTWARA REGION	Computer Desk Top (Dell)	MTWARA DC
127	MTWARA REGION	Computer Desk Top (Dell)	MTWARA DC
128	MTWARA REGION	Computer Desk Top (Nordic)	MTWARA DC
129	RUVUMA REGION	Computer desk top 1pc	NAMTUMBO DC
130	KAGERA REGION	Computer Desk Top -Dell	BUKOBA DC
131	IRINGA	COMPUTER DESK TOP HP	IRINGA MC
132	RUVUMA REGION	Computer desk top HP 11710	SONGEA MC
133	MARA	Computer Desktop (1)	BUNDA TC
134	MARA	Computer Desktop 01	BUNDA DC
135	SITINYANGA REGION	computer desktop 1	KISHAPU DC
136	MWANZA REGION	Computer Desktop Dell	KWIMBA DC
137	SIMUYU REGION	COMPUTER DESKTOP DELL	MASWA DC
138	ARUSHA REGION	COMPUTER DESKTOP-DELL WITH ITS CPU	ARUSHA DC
139	MARA	COMPUTER DESKTOP-HP	MUSOMA DC
140	RUVUMA REGION	Computer desktop-HP	SONGEA MC
141	RUVUMA REGION	Computer desktop-HP Compaq Le1711	SONGEA MC
142	RUVUMA REGION	Computer dsk top-dell (SNONJVKM72872-457-CH9R)	SONGEA MC
143	GFITA REGION	Computer HP Laptop	MBOGWE DC
144	RUVUMA REGION	COMPUTER LAPTOP	SONGEA DC
145	MOROGORO REGION	Computer laptop (HP)	GAIRO DC
146	MOROGORO REGION	Computer laptop (HP)	GAIRO DC
147	MTWARA REGION	COMPUTER LAPTOP DELL	NEWALA TC
148	RUVUMA REGION	Computer laptop dell 14ass	NAMTUMBO DC
149	IRINGA	COMPUTER LAPTOP:DELL	MI INDI DC
150	MARA	Computer Laptop (hp) 01 Not handed over	RUNDA DC
151	ARUSHA REGION	COMPUTER LAPTOP-DELL	ARUSHA DC
152	ARUSHA REGION	COMPUTER LAPTOP HP	ARUSHA DC
153	MOROGORO REGION	COMPUTER MONITOR	KILOMBERO DC
154	RUKWA REGION	COMPUTER SET	SUMBAWANGA MC
155	RUKWA REGION	COMPUTER SFT	KALAMBO DC
156	RUKWA REGION	Computer set complete desk top compaq	NKASI DC
157	RUKWA REGION	COMPUTER SET, COMPLETE FLAT SCREEN	SUMBAWANGA DC
158	RUKWA REGION	COMPUTER SET, COMPLETE FLAT SCREEN	SUMBAWANGA DC
159	IRINGA	COMPUTER TABLE	KILOLO DC
160	IRINGA	COMPUTER TABLE	MFINDI DC
161	MOROGORO REGION	COMPUTER TABLE MDC/WKS/CTB/001	MOROGORO DC
162	MOROGORO REGION	COMPUTER TABLE MDC/WKS/CTB/002	MOROGORO DC
163	NJOMBE REGION	COMPUTER TABLES (2)	RUFUJI DC
164	PWANI REGION	COMPUTER TABLES (2)	RUFUJI DC
165	MOROGORO REGION	Conference Chair	GAIRO DC
166	MOROGORO REGION	Conference Chair	GAIRO DC

167	MOROGORO REGION	Conference Chair	GAIRO DC
168	MOROGORO REGION	Conference Chair	GAIRO DC
169	MOROGORO REGION	Conference Chair	GAIRO DC
170	MOROGORO REGION	Conference Chair	GAIRO DC
171	DODOMA REGION	CONFERENCE TABLE	DODOMA MC
172	DODOMA REGION	CONFERENCE TABLE	DODOMA MC
173	MOROGORO REGION	Conference Table	GAIRO DC
174	DODOMA REGION	CPU	DODOMA MC
175	DODOMA REGION	CPU	DODOMA MC
176	TABORA REGION	CPU	SIKONGE DC
177	IRINGA	CPU DELL	IRINGA MC
178	MWANZA REGION	Cupboard	MISUNGWI DC
179	MWANZA REGION	CUPBOARD	SENGEREMA DC
180	RUKWA REGION	CUPBOARD	KALAMBO DC
181	TABORA REGION	Cupboard (4Doors)	TABORA DC
182	TABORA REGION	CUPBOARD (WOODEN) - TRU/KDC/WCB/O1	KALIUA DC
183	MBEYA REGION	CUPBOARD FILE KEEPING	MBEYA CC
184	RUVUMA REGION	Cupboard, wooden	MBINGA DC
185	RUKWA REGION	Cupboard,steel,2doors,large	SUMBAWANGA DC
186	RUKWA REGION	Cupboard,steel,2doors,large	SUMBAWANGA DC
187	RUKWA REGION	Cupboard,steel,2doors,large	SUMBAWANGA DC
188	RUKWA REGION	Cupboard,steel,2doors,large	SUMBAWANGA DC
189	RUKWA REGION	Cupboard,steel,2doors,large	SUMBAWANGA DC
190	RUKWA REGION	Cupboard,wooden,2 doors large	SUMBAWANGA DC
191	RUKWA REGION	Cupboard,wooden,2 glazed doors	SUMBAWANGA DC
192	RUKWA REGION	Cupboard,wooden,with glass doors	SUMBAWANGA DC
193	MBEYA REGION	CUTTING MASHINE	MBEYA CC
194	MBEYA REGION	DELL DESKTOP	MBEYA CC
195	SHINYANGA REGION	DELL P 28 F	SHINYANGA MC
196	RUVUMA REGION	DESK TOP (DELL DUO CORP)	TUNDURU DC
197	MOROGORO REGION	DESK TOP COMPUTER	IFAKARA DC
198	NJOMBE REGION	Desk Top Computer	BAGAMOYO DC
199	PWANI REGION	Desk Top Computer	BAGAMOYO DC
200	SONGWEE REGION	Desk top computer	MBOZI DC
201	TANGA REGION	DESK TOP COMPUTER	KILINDI DC
202	MARA	DESK TOP- COMPUTER	ROLYA DC
203	DODOMA REGION	DESK TOP COMPUTER DELL	CHAMWINO DC
204	MARA	DESK TOP COMPUTER HP W2372A	TARIME TC
205	MTWARA REGION	Desktop computer	NANYUMBU DC
206	IRINGA	DESKTOP COMPUTER - DELL	KILOLO DC
207	IRINGA	DESKTOP COMPUTER - DELL	KILOLO DC
208	IRINGA	DESKTOP COMPUTER - DELL	KILOLO DC
209	IRINGA	DESKTOP COMPUTER - DELL	KILOLO DC
210	NJOMBE REGION	DESK-TOP COMPUTER (1)	RUFJI DC
211	PWANI REGION	DESK-TOP COMPUTER (1)	RUFJI DC
212	TABORA REGION	DESKTOP COMPUTER (DELL) - TRU/KDC/CO/02	KALIUA DC
213	MTWARA REGION	Desktop computer (Dell)	NEWALA DC
214	TABORA REGION	Desktop Computer (DELL) CPU -1	TABORA MC
215	TABORA REGION	Desktop Computer (DELL) CPU -1	TABORA MC
216	TABORA REGION	Desktop Computer (DELL) Flat Screen -1	TABORA MC
217	MTWARA REGION	Desktop computer (HP)-1	NEWALA TC
218	TABORA REGION	Desktop Computer Hp Compaq LE1711	TABORA DC
219	MOROGORO REGION	Desktop DELL	GAIRO DC
220	MWANZA REGION	Digital Camera	KWIMBA DC
221	RUVUMA REGION	Digital camera 20.1 MG pixel sony hpc	NAMTUMBO DC
222	SINGIDA REGION	Digital Camera Cannon	SINGIDA MC
223	KACERA REGION	Digital Camera Nikon Coolpix L340	BUKOSA MC
224	TANGA REGION	DOCHI-MOMBO ROAD (17.762 KMs)	LUSHOTO DC
225	MBEYA REGION	DOUBLE DESK TABLE	MBEYA CC
226	MBEYA REGION	DOUBLE DESK TABLE	MBEYA CC
227	RUKWA REGION	DR BUSH STREET	NKASI DC
228	RUKWA REGION	DR KISIMBA STREET	NKASI DC

229	IRINGA	DUST BIN	IRINGA MC
230	MBEYA REGION	DUST BIN	MBEYA CC
231	IRINGA	DUSTBIN	IRINGA MC
232	RUKWA REGION	EFATHA CHURCH	NKASI DC
233	NJOMBE REGION	Eight Chair Normal	KISARAWÉ DC
234	PWANI REGION	Eight Chair Normal	KISARAWÉ DC
235	IRINGA	ELECTRIC HEATER	MFINDI DC
236	MOROGORO REGION	ELECTRIC KETTLE DELSA MDC/WKS-FK/001	MOROGORO DC
237	RUKWA REGION	ELECTRICAL KETTLE	SUMBAWANGA DC
238	RUKWA REGION	Eliya Street Road	KALAMBO DC
239	RUKWA REGION	Eng Camp 3	KALAMBO DC
240	RUKWA REGION	Eng. Camp 3 Road	KALAMBO DC
241	RUKWA REGION	Eng. Camp Road 1	KALAMBO DC
242	RUKWA REGION	Eng. Camp Road 2	KALAMBO DC
243	RUKWA REGION	FNOCK STREET	NKASI DC
244	DAR ES SALAAM REGION	Executive Chair	TEMEKE MC
245	MTWARA REGION	Executive Office Chair	MTWARA DC
246	MTWARA REGION	Executive chair	NEWALA DC
247	RUKWA REGION	Executive office desk	KALAMBO DC
248	MTWARA REGION	Executive table-2	NEWALA DC
249	IRINGA	EXECUTIVE OFFICE CHAIR - IMPORTED	KILOLO DC
250	DODOMA REGION	EXECUTIVE CHAIR	DODOMA MC
251	GEITA REGION	Executive Chair	BUKOMBE DC
252	IRINGA	EXECUTIVE CHAIR	MFINDI DC
253	MBEYA REGION	EXECUTIVE CHAIR	MBEYA CC
254	MOROGORO REGION	Executive Chair	GARRO DC
255	RUVUMA REGION	Executive Chair	MBINGA DC
256	RUVUMA REGION	Executive Chair	MBINGA DC
257	RUVUMA REGION	Executive Chair	MBINGA DC
258	RUVUMA REGION	Executive Chair	MBINGA DC
259	RUVUMA REGION	EXECUTIVE CHAIR	SONGEA DC
260	RUVUMA REGION	EXECUTIVE CHAIR	SONGEA DC
261	RUVUMA REGION	EXECUTIVE CHAIR	SONGEA DC
262	SHINYANGA REGION	EXECUTIVE CHAIR	SHINYANGA DC
263	SIMUYU REGION	Executive chair	BARIAOI DC
264	SINGIDA REGION	Executive Chair	SINGIDA MC
265	SONGWE REGION	EXECUTIVE CHAIR	MOMBA DC
266	TABORA REGION	Executive Chair	TABORA DC
267	TABORA REGION	EXECUTIVE CHAIR - TRR/KDC/CH/03	KALIUA DC
268	MARA	Executive Chair 05	BUNDA DC
269	SIMUYU REGION	Executive Chair 2	ITILIMA DC
270	MOROGORO REGION	EXECUTIVE CHAIR MDC/WKS/EXCH/001	MOROGORO DC
271	MOROGORO REGION	EXECUTIVE CHAIR MDC/WKS-EO/EXCH/002	MOROGORO DC
272	MOROGORO REGION	EXECUTIVE CHAIR MDC/WKS-EO/EXCH/003	MOROGORO DC
273	RUKWA REGION	Executive chairs steel frame	NKASI DC
274	MTWARA REGION	Executive MDF Office Table	MTWARA DC
275	KAGERA REGION	EXECUTIVE OFFICE CHAIR - TRR/KGR/NG/ECH/02	NGALA DC
276	KAGERA REGION	EXECUTIVE OFFICE CHAIR - TRR/KGR/NG/ECH/04	NGALA DC
277	KAGERA REGION	EXECUTIVE OFFICE CHAIR - TRR/KGR/NG/ECH/05	NGALA DC
278	KAGERA REGION	EXECUTIVE OFFICE CHAIR - TRR/KGR/NG/ECH/06	NGALA DC
279	KAGERA REGION	EXECUTIVE OFFICE CHAIR - TRR/KGR/NG/ECH/06	NGALA DC
280	MTWARA REGION	Executive Office Chair	MTWARA DC
281	MARA	Executive Office Chair (Exotic)	TARIME DC
282	TABORA REGION	EXECUTIVE OFFICE CHAIR (TRR/UMBDC/H/CH/008)	URAMBO DC

		EXECUTIVE OFFICE CHAIR	
283	MOROGORO REGION	MDC/ADMN/CR/CCH/003	MOROGORO DC
284	MOROGORO REGION	EXECUTIVE OFFICE TABLE	MOROGORO DC
285	IRINGA	EXECUTIVE OFFICE TABLE - Wooden MDF	KILOLO DC
286	IRINGA	EXECUTIVE OFFICE TABLE - Wooden MDF	KILOLO DC
287	IRINGA	EXECUTIVE OFFICE TABLE - Wooden MDF	KILOLO DC
288	MARA	Executive Office Table (Exotic)	TARIME DC
289	DODOMA REGION	EXECUTIVE TABLE	DODOMA MC
290	IRINGA	EXECUTIVE TABLE	MFINDI DC
291	KILIMANJARO REGION	EXECUTIVE TABLE	SAMEDC
292	KILIMANJARO REGION	EXECUTIVE TABLE	SAMEDC
293	MBEYA REGION	EXECUTIVE TABLE	MBEYA CC
294	MBEYA REGION	EXECUTIVE TABLE	MBEYA CC
295	MOROGORO REGION	Executive Table	GAIRO DC
296	RUVUMA REGION	EXECUTIVE TABLE	SONGEA DC
297	RUVUMA REGION	EXECUTIVE TABLE	SONGEA DC
298	RUVUMA REGION	EXECUTIVE TABLE	SONGEA DC
299	SONGWE REGION	EXECUTIVE TABLE	MOMBA DC
300	TABORA REGION	Executive Table	TABORA DC
301	NJOMBE REGION	EXECUTIVE TABLE (2)	RUFJI DC
302	PWANI REGION	EXECUTIVE TABLE (2)	RUFJI DC
303	MARA	Executive Table 01	BUNDA DC
304	MBEYA REGION	EXECUTIVE TABLE WITH SIDE TABLE (Made in China)	MBARALI DC
305	RUVUMA REGION	Extension cables 2pcs	NAMTUMBO DC
306	KILIMANJARO REGION	EXTENSION CABLE	SAMEDC
307	MTWARA REGION	Extension Cable (Tronic)	MTWARA DC
308	IRINGA	EXTENSION	IRINGA MC
309	IRINGA	EXTENSION	IRINGA MC
310	KAGERA REGION	EXTENSION OFFICE TABLE - TRR/KGR/NG/ETB/01	NGALA DC
311	IRINGA	EXTENSION TABLE	MFINDI DC
312	MARA	EXTERNAL HARD DISK	MUSOMA DC
313	SIMUYU REGION	Toyota D/C STK 2022 (Grounded)	BARADI DC
314	KATAVI REGION	Toyota Hilux (Double cabin)	MPANDA MC
315	SHINYANGA REGION	TOYOTA HILUX STK 2336	SHINYANGA DC
316	DODOMA REGION	TOYOTA HILUX	DODOMA MC
317	DODOMA REGION	TOYOTA HILUX D/CABIN P/UP	KONGWA DC
318	KILIMANJARO REGION	TOYOTA HILUX D/CABIN P/UP	MOSHI DC
319	MARA	TOYOTA HILUX DOUBLE CABIN PICK UP NO STL 3B03	TARIME TC
320	DARES SALAAM REGION	Toyota Hilux - Pickup (Double Cabin)	TEMEKE MC
321	TANGA REGION	TOYOTA HILUX STK 2214	HANDENI DC
322	MTWARA REGION	Toyota Hilux (D/Cabin) - STL 3909	MASASI TC
323	IRINGA	TOYOTA HILUX (DOUBLE CABIN) STK 5919	IRINGA MC
324	MARA	Toyota Hilux / Pickup / STK 5*15	ROLYA DC
325	TANGA REGION	TOYOTA HILUX D/C	TANGA CC
326	TANGA REGION	TOYOTA HILUX D/C	TANGA CC
327	RUVUMA REGION	TOYOTA HILUX D/CABIN PICK UP NO STL 5451	MBINGA TC
328	SONGWE REGION	TOYOTA HILUX DFP 1598	ILEJE DC
329	MTWARA REGION	TOYOTA HILUX DOUBLE CABIN	MASASI DC
330	MTWARA REGION	Toyota Hilux Double Cabin	MTWARA DC
331	MARA	Toyota Hilux Double Cabin STK 5149	SERENGETI DC
332	MTWARA REGION	Toyota Hilux Double Cabin STK 8955	MTWARA DC
333	SHINYANGA REGION	TOYOTA HILUX DOUBLE CABIN STK 8745	SHINYANGA MC
334	MWANZA REGION	Toyota Hilux Double Cabin STL 3810	ILEMELA MC
335	MWANZA REGION	Toyota Hilux Double Cabin STL 5468	BUCHOSA DC
336	RUVUMA REGION	TOYOTA HILUX P/UP	SONGEA DC
337	MOROGORO REGION	Toyota Hilux pick up - STL 5464	MALINYI DC
338	KAGERA REGION	Toyota Hilux Pick Up STK 5363	BUKOKA MC
339	MWANZA REGION	Toyota Hilux Single Cabin STJ 6297	ILEMELA MC
340	SHINYANGA REGION	TOYOTA HILUX STK 5150	USHETI DC
341	MBEYA REGION	TOYOTA HILUX STK 5313	MBEYA MC

342	MOROGORO REGION	TOYOTA HILUX STK 6321	KILOSA DC
343	MOROGORO REGION	TOYOTA HILUX STL 3806	GAIRO DC
344	KATAVI REGION	Toyota Hilux STL 3813	MLELE DC
345	RUVUMA REGION	TOYOTA HILUX STL 3815 (1)	NYASA DC
346	MOROGORO REGION	TOYOTA HILUX, STK 51B3	KILOMBERG DC
347	KAGERA REGION	TOYOTA Hilux-Pick up (Double Cabin)	BUKOBA DC
348	ARUSHA REGION	TOYOTA HILUX-PICKUP(DOUBLE CABIN) STL 1135	ARUSHA DC
349	MWANZA REGION	Toyota Hilux-Pick -Up (Double Cabin) white colour STK 5587	UKEREWE DC
350	GEITA REGION	TOYOTA LANDCRUISER PICKUP	BUKOMBE DC
351	MARA	Toyota Nissan - STK 2064 -01	BUNDA DC
352	DAR ES SALAAM REGION	TOYOTA PICK UP DOUBLE CABIN STL 2646	KIGAMBONI MC
353	RUKWA REGION	TOYOTA PICK UP	SUMBAWANGA MC
354	SIMUYU REGION	TOYOTA PICK UP	MEATU DC
355	MWANZA REGION	TOYOTA PICK UP DOUBLE CABIN	SENGEREMA DC
356	RUKWA REGION	Toyota pickup slk 1485	SUMBAWANGA DC
357	RUKWA REGION	Toyota pickup slk 2328	SUMBAWANGA DC
358	RUKWA REGION	Toyota pickup slk 8511	SUMBAWANGA DC
359	MWANZA REGION	Tripod Stand	KWIMBA DC
360	MWANZA REGION	Tripod Stand 1	UKEREWE DC
361	TABORA REGION	WOOD OFFICE CHAIR (TRR/UMBDC/FF/CH/001)	URAMBO DC
362	TABORA REGION	WOOD OFFICE CHAIR (TRR/UMBDC/FF/CH/002)	URAMBO DC
363	TABORA REGION	WOOD OFFICE CHAIR (TRR/UMBDC/FF/CH/003)	URAMBO DC
364	TABORA REGION	WOOD OFFICE CHAIR (TRR/UMBDC/FF/CH/004)	URAMBO DC
365	TABORA REGION	WOOD OFFICE CHAIR (TRR/UMBDC/FF/CH/005)	URAMBO DC
366	TABORA REGION	WOOD OFFICE CHAIR (TRR/UMBDC/FF/CH/006)	URAMBO DC
367	TABORA REGION	WOOD OFFICE CHAIR (TRR/UMBDC/FF/CH/007)	URAMBO DC
368	TABORA REGION	WOOD OFFICE TABLE (TRR/UMBDC/FF/TB/001)	URAMBO DC
369	TABORA REGION	WOOD OFFICE TABLE (TRR/UMBDC/FF/TB/002)	URAMBO DC
370	TABORA REGION	WOOD OFFICE TABLE (TRR/UMBDC/FF/TB/003)	URAMBO DC
371	TABORA REGION	WOOD OFFICE TABLE (TRR/UMBDC/FF/TB/004)	URAMBO DC
372	TABORA REGION	WOOD OFFICE TABLE (TRR/UMBDC/FF/TB/005)	URAMBO DC
373	KILIMANJARO REGION	WRITING TABLE	MOSHI DC
374	KILIMANJARO REGION	WRITING TABLE	MOSHI DC
375	KILIMANJARO REGION	WRITING TABLE	MOSHI DC
376	KILIMANJARO REGION	WRITING TABLE	MOSHI DC
377	KILIMANJARO REGION	WRITING TABLE	MOSHI DC
378	MANYARA REGION	Yamaha Motorcycle STL 5603	KITETO DC



REPORT OF THE CONTROLLER AND AUDITOR GENERAL



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
AUDIT OF FINANCIAL STATEMENTS OF TANZANIA NATIONAL ROADS
AGENCY (TANROADS) FOR THE FINANCIAL YEAR ENDED
30 JUNE 2018

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ROADS FUND BOARD
29 APR 2019
RECEIVED

March 2019

AR/TANROADS/2017/18



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
AUDIT OF FINANCIAL STATEMENTS OF TANZANIA NATIONAL ROADS
AGENCY (TANROADS) FOR THE FINANCIAL YEAR ENDED
30 JUNE 2018

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March 2019

AR/TANROADS/2017/18

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Abbreviations

IESBA Code	International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standards of Supreme Audit Institutions
PAC	Public Accounts Committee
TANROADS	Tanzania National Roads Agency

1.0 GENERAL INFORMATION

1.1. Mandate

The statutory duties and responsibilities of the Controller and Auditor General are given under Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2005) and in Section 10 (1) of the Public Audit Act No.11 of 2008.

1.2. Vision, Mission and Core Values

Vision

To be a highly regarded Institution that excels in Public Sector Auditing.

Mission

To provide high quality audit services that improves public sector performance, accountability and transparency in the management of public resources.

Core Values

In providing quality services, NAO is guided by the following Core Values:

- ✓ **Objectivity:** We are an impartial public institution, offering audit services to our clients in unbiased manner.
- ✓ **Excellence:** We are professionals providing high quality audit services based on standards and best practices.
- ✓ **Integrity:** We observe and maintain high standards of ethical behaviour, rule of law and a strong sense of purpose.
- ✓ **People focus:** We value, respect and recognize interest of our stakeholders.
- ✓ **Innovation:** We are a learning and creative public institution that promotes value added ideas within and outside the institution.
- ✓ **Results Oriented:** We are an organization that focuses on achievement based on performance targets.
- ✓ **Team work Spirit:** We work together as a team, interact professionally, and share knowledge, ideas and experiences.

We do this by:

- Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- Helping to improve the quality of public services by supporting innovation on the use of public resources;
- Providing technical advice to our clients on operational gaps in their operating systems;
- Systematically involve our clients in the audit process and audit cycles; and
- Providing audit staff with appropriate training, adequate working tools and facilities that promote their independence.

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1.3. Audit Objectives

To obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or errors and are prepared in accordance with an applicable financial reporting framework; and whether laws and regulations have been complied with.

1.4. Audit Scope

The audit was carried out in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and other audit procedures as were deemed appropriate under the circumstances. This covered the evaluation of the effectiveness of the financial accounting system and internal control over various activities of the TANROADS.

The audit was conducted on a sample basis; therefore, the findings are confined to the extent that records, documents and information requested for the purpose of the audit were made available to me. Audit findings and recommendations arising from the examination of the accounting records, appraisal of the activities as well as evaluation of the Internal Control System which requires management's attention and actions, are set out in the management letter issued separately to the TANROADS.

As an auditor, I am not required to specifically search for fraud and therefore, my audit cannot be relied upon to disclose all such matters. However, my audit was planned in such a way that I would have reasonable expectations of detecting material errors and misstatement in the financial statements resulting from irregularities including fraud. The responsibility for detection, prevention of irregularities and the maintenance of an effective and adequate system of internal control rests with the management of the TANROADS.

1.5. Audit Methodology

My audit approach included tests of the accounting records and other procedures in order to satisfy the audit objectives. My audit procedures included the following:

- Planning the audit to identify and assess risks of material misstatement, whether due to fraud or error, based on an understanding of the entity and its environment, including the entity's internal controls.
- Obtain sufficient appropriate audit evidence about whether material misstatements exist, through designing and implementing appropriate responses to the assessed risks.
- Form an opinion on the financial statements based on conclusions drawn from the audit evidence obtained.
- Follow up on the implementation of the previous year's audit findings and recommendations and directives issued by Public Accounts Committee (PAC) to ensure that proper action has been taken in respect of all matters raised.

2.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

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

Report on the audit of financial statements for the financial year ended 30 June 2018

Unqualified Opinion

I have audited the accompanying Financial Statements of TANROADS, which comprise the Statement of Financial Position as at 30 June 2018 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 33 to 63.

In my opinion, the accompanying Financial Statements present Fairly in all material respects, the Financial Position of TANROADS as at 30th June, 2018, 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

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.

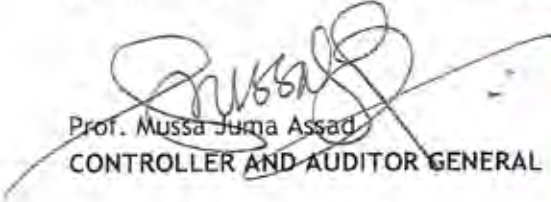
In addition, Section 10 (2) of the Public Audit Act No. 11 of 2008 requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement (amendment) Act 2016 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 (amendment) Act 2016

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 (amendment) Act 2016 and its underlying (amendment) Regulations of 2016.


Prof. Mussa Juma Assad

CONTROLLER AND AUDITOR GENERAL



31 March 2019

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Roads Fund Board,
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THE UNITED REPUBLIC OF TANZANIA
 MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION
 TANZANIA NATIONAL ROADS AGENCY

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THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION
TANZANIA NATIONAL ROADS AGENCY

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2.0 LIST OF ABBREVIATIONS

BOT	Bank of Tanzania
CRB	Contractors Registration Board
EU	European Union
FY	Financial Year
GEPF	Government Employees Pension Fund
GOT	Government of Tanzania
HQ	Headquarter
IDA	International Development Agency
IT	Information Technology
JICA	Japan International Cooperation Agency
LAPF	Local Authorities Pensions Fund
MOFP	Ministry of Finance and Planning
MoWTC	Ministry of Works, Transport and Communication
NCC	National Construction Council
NHIF	National Health Insurance Fund
NMB	National Microfinance Bank
NSSF	National Social Security Fund
PMMR	Performance-based Management and Maintenance of Roads
PPE	Property, Plant and Equipment
PPRA	Public Procurement Regulatory Authority
PSPF	Public Service Pensions Fund
RFB	Roads Fund Board
BMMS	Bridge Maintenance Management System
RMMS	Road Maintenance Management System
SUMATRA	Surface and Marine Transport Regulatory Authority
TAMICO	Tanzania Mines, Energy, Construction and Allied Workers Union
TANROADS	Tanzania National Roads Agency
TEMESA	Tanzania Electrical, Mechanical and Services Agency
TIN	Taxpayer Identification Number
TZS	Tanzanian Shilling
USD	United States Dollar
VAT	Value Added Tax

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VAT	Value Added Tax
VTTP	Village Transport and Travel Program
WB	World Bank
WCF	Workers Compensation Fund
WIP	Work in Progress

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3.0 CORPORATE INFORMATION

Tanzania National Roads Agency (TANROADS) was established on 1st July, 2000 by an order published in the Government Gazette, Notice No. 293 of 25th August 2000 under Section 3(1) of the Executive Agencies Act No. 30 of 1997, as a semi-autonomous Agency of the then Ministry of Works; with the expectation of witnessing a significant improvement in roads maintenance and development with respect to quality, efficiency and cost-effectiveness. The Agency is responsible for the management of 36,258 Km of roads made up of 12,176 Km of trunk roads and 24,082 Km of regional roads according to the Roads Act No. 13 of 2007 and subsequent reclassification up to June 2018.

Following the Government directives, TANROADS was officially handed over the new roles of designing, construction and rehabilitation of the national airports since September, 2016.

3.1 PHYSICAL ADDRESS

TANROADS has a regional office for each of the twenty-six (26) administrative regions in mainland Tanzania. Currently, the headquarters are in Dar es Salaam and the physical address is:

P.O Box 11364
 3rd Floor
 Airtel House
 Ali Hassan Mwinyi/Kawawa Roads Junction
 Dar es Salaam
 Tel. No. + 255 22 2926001 - 6
 Fax No. + 255 22 2926011
 Email: tanroadshq@tanroads.go.tz
 Website: www.tanroads.go.tz

The Address of the parent ministry is;
 Ministry of Works, Transport and Communication (Works)
 1st Floor, Tanzania Building Agency (TBA) House
 Moshi Street
 P.O. Box 2888
 40470 Dodoma
 Phone: +255 26 2322251
 Fax: +255 26 2323233
 Email: ps@mow.go.tz

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3.2 CORE FUNCTIONS AND ROLES

According to Tanzania National Roads Agency Establishment Order, the core functions of TANROADS include:

- i) To undertake procurement and management of contracts for design, construction, rehabilitation, maintenance and upgrading of roads under its control;
- ii) To improve road safety and mitigate environmental impact from its operations on the road network under its control;
- iii) To establish, improve and maintain an appropriate road databank;
- iv) To establish and operate weighbridges and enforce axle load control on the road network under its control;
- v) To manage contracts on construction of ferries' ramps within the road network under its control;
- vi) To oversee establishment and operations of toll roads,
- vii) To carry out or commission studies/research as necessary in support of its aim and functions;
- viii) To advise the Ministry on regulations and standards for road works;
- ix) To perform any work upon request by Local Authorities or other agents in connection with any road under the control of such authorities or agents; and
- x) To coordinate and co-operate with Local Authorities and other road agents with respect to long-term, medium, annual and operational plans for roads.
- xi) Pursuant to the current Government directives, the roles of TANROADS have been extended to support government – owned airports. In this regard, the functions and roles of TANROADS also include design and construction of national airports. The new roles were officially handed over on 8th September, 2016.

3.3 BANKERS

TANROADS entrusts its banking facilities with; the Bank of Tanzania (BOT), CRDB Bank PLC, National Microfinance Bank (NMB), CITI Bank, Exim Bank and the National Bank of Commerce.

3.4 STATUTORY AUDITORS

The Controller and Auditor General (CAG) is the statutory auditor for the Agency pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2005), Section 9-12 of the Public Audit Act, 2008, Section 15(2) of the Executive Agencies act, 1997 (amended 2009) and Public Finance Act No. 6 of 2001 (revised 2004).

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3.5 LAWYERS

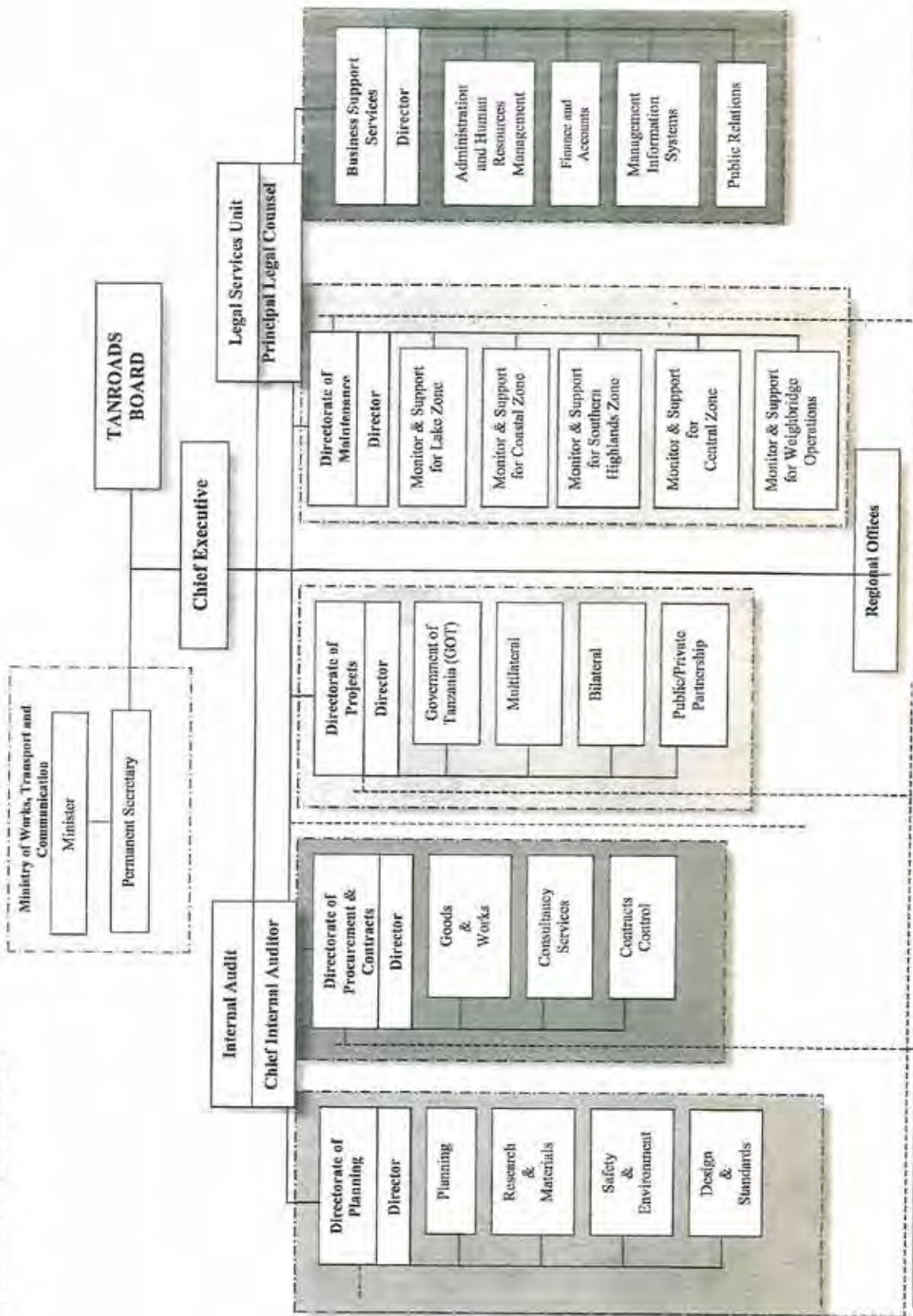
TANROADS maintains a well-staffed Legal Unit which gives advice and opinions to the Chief Executive on various legal issues facing the Agency. The Unit works in close coordination with the Attorney General's Office and the parent Ministry's lawyers.

3.6 THE ORGANISATION STRUCTURE

There are five (5) Directorates reporting to the Chief Executive i.e. Directorate of Business Support, Directorate of Maintenance, Directorate of Planning, Directorate of Projects, Directorate of Procurement and Contracts. There are also two (2) independent Units that directly report to the Chief Executive; these are Internal Audit Unit and the Legal Unit. The Regional Offices are headed by Managers who also report to the Chief Executive.

The following is TANROADS Organizational Structure defining how activities such as task allocation, coordination and supervision are directed towards the achievement of organizational goals.

THE ORGANIZATION STRUCTURE



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4.0 DIRECTORS' REPORT

In line with the Tanzania Financial Reporting Standard No. 1 on Directors Report, the Directors hereby give their Report for TANROADS operations for the year ended 30th June, 2018.

4.1 STATEMENT OF COMPLIANCE

The Board is aware and confirms, to the best of its knowledge that, the Agency complied with laws, rules and regulations relating to procurement, financial management, construction sector, labour, environment and all other laws in the country which are relevant to its operations.

4.2 TANROADS CORPORATE OUTLOOK

4.2.1 Vision

To have sustainable, safe and environmentally friendly all-weather Trunk, Regional roads network and Airport facilities to support the social economic development of Tanzania.

4.2.2 Mission

To plan, design, construct and maintain the national roads and airports efficiently and in cost effective, safe and environmentally sustainable manner consistent with the Poverty Reduction Strategy and other Government policies through a competent and well-motivated work force.

4.2.3 Core Values and Philosophy

Six core values guide the operations of Agency. TANROADS will achieve its vision through a developed corporate culture that has the following core values:

- i) Customer focus
- ii) Innovation
- iii) Excellence
- iv) Integrity
- v) Transparency
- vi) Teamwork

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4.3 PRINCIPAL MANDATES

4.3.1 Construction, Maintenance and Rehabilitation of Roads and Bridges

The Agency is responsible for management of 36,258 km of roads made up of 12,176 km of trunk roads and 24,082 km of regional roads.

The Agency also manages the operations of weighbridges located in various points on the road network. TANROADS provides appropriate technical advice to other road authorities in the country as and when required.

4.3.2 Construction and Rehabilitation of Airports

In addition, the Agency through a letter with reference number CE.20/105/01/03 dated 7th September 2016 from the Ministry of Works, Transport and Communication (MoWTC) was handed over the responsibility for designs, construction and rehabilitation of the national airports. The handing over meeting between TANROADS and TAA was held on 8th September 2016.

However, after completion of airports construction and rehabilitation, the same are handed over to Tanzania Airport Authority for routine maintenance. This means TANROADS does not collect any kind of revenue emanating from Airport operations. During the Financial Year 2017/2018, there were no completed Airport projects, therefore, no handover to TAA was done.

4.4 BOARD OF DIRECTORS

The Board of Directors consists of nine (9) Directors; none of them holds executive position in the Agency. The functions of TANROADS Board, as stipulated in section 10 of Roads Act include;

- i) To advise the minister on the performance of TANROADS;
- ii) To approve work programs;
- iii) To monitor TANROADS performance
- iv) To Advise on road safety and mechanism to reduce negative environmental impact in the road network control;
- v) To ensure establishment and proper maintenance of roads data bank;
- vi) To maintain cooperation with other road authorities;
- vii) To ensure that TANROADS carries out research and development as necessary in support of its aims and functions;
- viii) To advise on the development and maintenance of strategic framework;
- ix) To set priorities and annual performance targets for TANROADS;
- x) To consider TANROADS annual reports and accounts; and
- xi) To evaluate TANROADS performance.

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During the reporting period, tenure of all members who were in office at the beginning of the Financial Year had expired. The following Board of Directors, presented in Table 1 below, were existent at the start of the financial year 2017/2018;

Table 1: Members of Board of Directors at the Beginning of Financial Year 2017/2018

S/No.	Name	Organisation	Position in the Board	Exit Date
1	Mrs. Hawa M. Mmanga	Retired Officer - PSPF	Chairperson	18.09.2018
2	Mr. Richard O. Rugimbana	Tourism Confederation of Tanzania	Member	23.02.2018
3	Mr. Eligius A. Mwakenja	Ministry of Finance and Planning	Member	23.02.2018
4	Mr. Obadia M. Kameya	Attorney General's Chambers	Member	12.01.2018
5	Eng. Elna N. Kayanda	TAMISEMI	Member	23.02.2018
6	Mr. Al-Kaharim Dawood	Transcargo Limited	Member	23.02.2018
7	Mrs. Tumaini E. Silaa	SUMATRA	Member	23.02.2018
8	Mr. Ven K. Ndyamukama	MoWTC	Member	31.12.2017

TANROADS new members of Board of Directors were appointed with effect from 1st July 2018. The composition of the new Board of Directors, whose tenure is three years, is as shown in Table 2 below;

Table 2: New Members of the Board of Directors

S/No.	Name	Organisation	Position in the Board
1	Dr. Eng. Dalmas Lucas Nyaoro	College of Engineering and Technology –University of Dar es Salaam	Chairperson
2	Ms. Devotha K. Mdachi	Tanzania Tourism Board	Member
3	Mr. Eliud T. Nyauhenga	Roads Funds Board	Member
4	Mr. Benedicto A. Mgonya	Ministry of Finance and Planning	Member
5	Dr. Eng. Fikiri F. Magafu	Ministry of Regional Administration and Local Government	Member
6	Mr. Elnisaidie K. Msuri	Confederation of Tanzania Industries	Member
7	Mr. Johansen J. Kahatano	Surface and Marine Transport Authority	Member
8	Ms. Happiness N. Mgalula	Ministry of Works, Transport and Communications	Member
9	Ms. Sia Beatrice Mrema	Attorneys General Chambers	Member

4.4.1 Directors' Remuneration

The Directors' remuneration for services rendered as Directors of the Agency was TZS 41 Million for FY 2017/2018.

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4.5 CORPORATE GOVERNANCE

4.5.1 The Audit Committee

The Agency is committed to the principles of effective corporate governance. The Agency also recognizes the importance of integrity, transparency and accountability. As one of its several strategies of fostering a high standard of good corporate governance the TANROADS Audit Committee which is made up of five members, brings a wealth of requisite knowledge and experience for the Agency's good governance. During the year, composition of the audit committee was as shown in Table 3 below:-

Table 3: Members of the Audit Committee

S/No	Name	Position	Qualification	Organization
1	Eng. Arnold J. Maeda	Chairperson	Engineer	Tanzania National Roads Agency
2	Eng. Caroline J. Mntambo	Secretary	Engineer	Tanzania National Roads Agency
3	Eng. Lucian H. Kilewo	Member	Engineer	Tanzania National Roads Agency
4	Mr. Projest Pastory	Member	Accountant	Ministry of Works, Transport and Communications
5	Ms. Zaina T. Mohamed	Member	Accountant	Workers Compensation Fund

4.5.2 The Management Team

The Management of the Agency is under the Chief Executive Eng. Patrick Mfugale and consists of the following five Directorates and two units reporting directly to the Chief executive as presented in Table 4 below.

Table 4: The Management Team

S/No.	Directorate / Unit	Name of the Director / Head of Unit
1.	Director of Projects	Eng. Chrispianus B. Ako
2	Director of Procurement	Eng. Ephrem P. Kirenga
3.	Ag. Director of Maintenance	Eng. Mohamed A. Ntunda
4	Director of Business Support	CPA. Hija A. Malamia
5	Ag. Director of Planning	Mr. Ebenezer R. Mollel
6	Internal Audit Unit	Mr. Mathias C. Magwanya
7	Legal Unit	Mr. Kenan K. Komba

4.6 RELEASE OF FUNDS FROM THE RFB AND CONSOLIDATED FUNDS

4.6.1 Maintenance Programme - RFB

During the year ending 30th June 2018, a total of TZS 511,845.412 million was received from the Roads Fund Board for maintenance programme which is equivalent to 89.31% of the approved budget, i.e. TZS 573,084.320 million.

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During the year ended 30th June 2018 the implementation of maintenance programs which includes rollover physical commitment from FY 2016/2017 continued in regions through execution of various maintenance activities. At the reporting time, all committed works for FY 2016/2017 had substantially been completed. Up to the end of the FY 2017/2018 cumulatively the physical performance was 92.00% when compared to the annual programs and the corresponding financial performance was 89.31%.

4.6.2 Development Programme – RFB 10%

During the year ended 30th June 2018, a total of TZS 87,953.413 million was received from the Roads Fund Board to finance 10% of development programme which is equivalent to 100 % of the approved budget, i.e. TZS 87,953.413 million. Out of the amount received, a total of TZS 76,870.140 million which is equivalent to 87.40% of the approved expenditure budget was spent to undertake feasibility studies and design of trunk roads and rehabilitation of regional roads.

4.6.3 Development and Airports Programme – Consolidated Development Fund (MoWTC)

During the year ended 30th June 2018, a total of TZS 1,300,567.916 million was received from the Consolidated Fund (MoWTC) to finance development and airports works programme which is equivalent to 100% of the approved budget, i.e. TZS 1,300,567.916 million. Out of the amount received, a total of TZS 1,165,267.319 million which is equivalent to 89.60% of the approved expenditure budget was spent for upgrading, rehabilitation and construction of various regional roads, trunk roads, bridges and airports.

4.7 ACHIEVEMENTS DURING THE YEAR

Given below are the brief explanations for physical performance of planned project activities during Financial Year 2017/2018.

4.7.1 Implementation of Road Maintenance Projects

Road maintenance is normally carried out on the national road network specified in the Roads Act 2007 and any other roads falling under the category upon subsequent reclassifications. The national roads network by the end of June 2018 was 36,258km, which comprises 12,176km of trunk roads and 24,082 of regional roads. The length for each class of roads is as shown in Table 5 below:

Table 5: The Length of the Roads Network

Roads Type	Paved (Km)	Unpaved (Km)	Total Length (Km)
Trunk	8,264	3,912	12,176
Regional	1,687	22,395	24,082
Total	9,951	26,307	36,258

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During the year ended 30th June 2018, the Agency entered into Annual Performance Agreements with the Roads Fund Board (RFB) for roads maintenance and with the Ministry of Works, Transport and Communication for roads development projects. The performance of TANROADS in respect to road maintenance programs carried out was in conformity with the performance agreement signed with RFB.

The overall road network condition was assessed in June 2018 and the results indicated that 37% of the road network was good, 48% fair and 15% was poor. The assessment was based on the condition survey conducted using RMMS procedures.

During the year ended 30th June 2018, a total of TZS 511,845.412 million was received from the Roads Fund Board for maintenance programme which is equivalent to 89.31% of the approved budget, i.e. TZS 573,084.320 million.

During the year ended 30th June 2018 the implementation of maintenance programs which includes rollover physical commitment from FY 2016/2017 continued in regions through execution of various maintenance activities. At the reporting time, committed works for FY 2016/2017 had been substantially completed. Up to the end of the FY 2017/2018 cumulatively the physical performance was 92.00% when compared to the annual programs and the corresponding financial performance was 89.31%.

Up to the end of FY 2017/2018 seventeen (17) regions had cases of emergency/urgent works caused by heavy rains in November 2017. The rain caused damage to some of the roads and bridges, which lead to closure of some of them and made others passable with difficulties. However, regions continued with execution of emergency works as per laid down procedures to ensure the roads are passable.

4.7.2 Implementation of Development Projects

The development programme comprises of projects fully funded by the Government of Tanzania (GoT) and those funded jointly with other multilateral and bilateral development partners. The projects include construction of new roads and bridges; widening, rehabilitation and upgrading of existing roads.

Up to the end of the year i.e. 30th June 2018, financial achievement was as summarized in Table 6 below:

Table 6: Financial Performance of Development Projects during the Year

Road Class	Category	Annual Plan (Million TZS)	Actual (Million TZS)	Achievement of Annual Plan (%)
Trunk	Consolidated	547,236.000	1,080,938.303	197.53
	Foreign	469,213.782	315,392.380	67.22
	Roads Fund 10%- Studies and Design	13,945.580	12,715.322	91.18

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Road Class	Category	Annual Plan (Million TZS)	Actual (Million TZS)	Achievement of Annual Plan (%)
Regional	Consolidated	29,500.000	28,246.157	95.75
	Roads Fund	29,919.000	34,130.110	114.08
Office Building	Consolidated	5,280.000	5,000.000	94.70

4.7.3 Construction and Rehabilitation of Airports

Construction and rehabilitation of airports include upgrading/construction of terminal buildings, upgrading/rehabilitation of runways, taxiways and aprons. The programmes comprise of projects fully funded by the Government of Tanzania (GoT) and those funded jointly with other multilateral and bilateral development partners.

Up to the end of the year i.e. 30th June 2018, financial achievement was as summarized in Table 7 below;

Table 7: Financial Performance of Airports Projects during the Year

Category	Annual Plan (Million TZS)	Actual (Million TZS)	Achievement of Annual Plan (%)
Consolidated	100,000.000	186,383.460	186.38
Foreign	76,368.642	806.177	1.06
Total	176,368.642	187,189.637	106.14

4.7.4 Outstanding Payments for Development and Maintenance Programme

Up to the year ended 30th June 2018, total outstanding payments to Contractors and Consultants for maintenance and development projects including compensations amounted to **TZS 842,420.598 million**. On the previous Financial Year 2016/2017 TANROADS had outstanding payments amounting to **TZS 977,528.567 million**. Comparison of payables for the last two years shows a remarkable commitment by the Government to ensure outstanding claims are paid.

However, the Agency is still following up with the Government to release more funds timely for settling the outstanding claims. Generally outstanding payments have the following apparent consequences;

- (i) Claims of interest by Contractors and Consultants due to delayed payments in accordance with Contract provisions;
- (ii) Delays in completion of projects within original contract period leading to cost overruns due to inflation and supervision which is additional cost apart from the above-mentioned contractual claims; and
- (iii) The uncertainty of timely payment of Contractor's certificates and Consultants invoices has impact to an increase in construction costs by Contractors through bids for new projects in an attempt to reduce the associated risks of late payments.

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4.7.5 Vehicle Load Control

The Vehicle load control is a routine exercise undertaken by TANROADS to control vehicle overloading along trunk and regional roads network. Both fixed and portable weighbridges were used in weighbridge operations during the year. Vehicle load control program in FY 2017/2018 comprised operations of weighing vehicles at forty-six (46) permanent stations and twenty-two (22) mobile sites; repair and improvement of weighbridges and attending to workshops related projects under East Africa Cooperation in connection with Vehicle Load Control. Table 8 below provides the records of the imposed and collected fines for the year ended 30th June 2018.

Table 8: Imposed Charges and Collected Amount

Cumulative Outstanding Debt as at 30 th June 2017	Imposed Charges During FY 2017/2018	Amount Collected During FY 2017/2018	Amount not Collected for FY 2017/2018	Cumulative Outstanding Debt as at 30 th June 2018
(Million TZS)	(Million TZS)	(Million TZS)	(Million TZS)	(Million TZS)
165,583.00	6,753,585.793	6,700,360.650	53,225.15	218,808.15

During the year the TZS 6,068,200,793.00 was transferred to Roads Fund Board and the balance of TZS 685,385,000.00 was still in transit in our collection Bank Account as at 30th June 2018.

4.7.6 Environmental and Social Issues

During the year ended 30th June 2018, several environmental and social related activities were undertaken. These included:

- i) Review of Environmental and Social Reports;
- ii) Review of Environmental and Social Plans, Monitoring of the Implementation of Environmental and Social Management Plan (ESMP) for the road projects;
- iii) Conducting training workshops on HIV/AIDS, Environmental issues to TANROADS, awareness campaigns on HIV, Environmental and Social Issues;
- iv) Preparation of social safeguard policy for TANROADS, supervise consultancy services for ESIA studies and Environmental Baseline data collection and monitoring of ESMP and RAP implementation for road projects; and
- v) Supervise consultancy services of sensitization of HIV/AIDS, STI, TB mitigation and gender issues.

Achievement attained in respect of environmental and social activities during financial year 2017/2018 are summarized in Table 9 below.

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Table 9: Achievement on Environmental and Social Activities

S/N	ACTIVITY	UNITS OF MEASUREMENT	ANNUAL PLAN FY 2017/2018	ACHIEVEMENT FY 2017/2018	% OF PERFORMANCE	REMARKS
1	Monitor the implementation of Environmental and Social Management Plan(ESMP), Health and Safety Management Plan (HSMP) and HIV/AIDS prevention programs for ongoing road projects	Number of projects monitored	20	16	80.00%	Substantially implemented; few reports were yet to be received from consultants
2	Prepare Term of Reference (ToR) for consultancy services on environmental and social undertakings.	Number of reports reviewed	16	12	75.00%	Substantially completed, there were only 12 projects requiring ToR.
3	Review of Environmental and Social Study reports:- a) Project brief report	Number of reports reviewed	36	17		Partially implemented, some of the reports were yet to be received from consultants.
	b) Scoping Reports and Terms of Reference (ToR)	Number of reports reviewed	36	13	47.22%	Partially implemented, only few reports were received from consultants.
	c) Environmental and Social Impact Assessment (ESIA) Reports and follow up its approval by NEMC.	Number of reports reviewed	36	24	36.11%	Partially implemented, only few reports were received from consultants.
	d) Properties valuation reports and follow-up its approval by Chief Government Valuer.	Number of reports reviewed	36	30	66.67%	Substantially implemented, few reports were yet to be received from consultants.
	e) Resettlement Action Plan (RAP)	Number of reports reviewed	36	14	83.33%	Partially implemented, only few reports were received from consultants.
4	Review and approval of site specific Environmental and Social Management Plans (ESMP) and Health and Safety Management Plan (HSMP) for ongoing projects.	Number of ESMP and HSMP reviewed	6	5	38.89%	Substantially implemented, few reports from consultants are being awaited.
	Report of HIV/AIDS prevention programs from on-going projects	Number of HIV/AIDS program reviewed	6	6	83.33%	Implemented as planned.
5	Conduct in house studies on Social and Environmental issues	Number of Studies Conducted	3	2	100.00%	Partially implemented, due to ad-hoc activities that needed special

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S/N	ACTIVITY	UNITS OF MEASUREMENT	ANNUAL PLAN FY 2017/2018	ACHIEVEMENT FY 2017/2018	% OF PERFORMANCE	REMARKS
						attention.
6	Conduct awareness campaigns on HIV, Environmental and social issues including participation in the environmental day (5 th June), Women's day (8 th March) and road safety week.	Number of Awareness Campaign Conducted	5	3	66.67%	Partially implemented due to ad-hoc activities that needed special attention.
7	Conducting training workshops on HIV/AIDS, Social and Environmental issues to TANROADS Staffs	Number of Trainings Conducted	4	2	50.00%	Partially implemented due to ad-hoc activities that needed special attention.
8	Supervise consultancy services for ESIA studies and Environmental Baseline data Collection and Monitoring of ESMP and RAP Implementation for road projects.	Number of reports received and approved	12	12	100.00%	Implemented as planned.
9	Supervise consultancy services for sensitization of HIV/AIDS, STI, TB mitigation and gender issues	Number of reports received and approved	12	10	83.33%	Substantially implemented, only few reports are yet to be received from consultants.
10	Preparation of Environmental and Social Safeguard Policy for TANROADS	Final policy prepared and approved	1	1	100.00%	Implemented as planned
Average Performance for Environmental and Social Activities is					71.37%	

4.7.7 Key Performance Ratios

The Directors have reviewed the current financial position of the Agency. On the basis of this review, the Directors are of the opinion that, for the Agency to perform effectively and efficiently, it needs budgetary honouring as currently Grant from the Government is received unevenly and inadequately

inadequate funds received from the Government for both recurrent expenditure and development expenditure hampered Agency's activities and it was not possible to efficiently execute all Agency's planned activities for the year 2018. For example, comparison of last year's current ration to current year's ratio deduces that although the Current Ratio has improved when compared to last year's, still it is not favourable as it suggests that, TANROADS as an entity has no enough resources to meet its short-term obligations as and when they fall due. The current (liquidity) ratio for FY 207/2018 was 0.43 as opposed to that of FY 2016/2017 which was 0.28.

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The return on assets, a profitability ratio, is calculated by dividing net income by total assets for the year. A low percentage return on assets indicates that an entity is not making enough income from the use of its assets. TANROADS has 5.65% as return on assets in FY 2017/2018 as compared to 2.75% of FY 2016/2017. However, this ratio might not be applicable for the case of TANROADS because TANROADS is not a profit making entity, moreover most of the assets that are captured in the financial statements, infrastructure assets in particular, are not used by TANROADS to generate revenue; rather they are assets for public use.

4.8 RISK MANAGEMENT AND INTERNAL CONTROLS

The Agency has a risk management policy, which was duly approved by the Board. Every individual within the Agency is required to appreciate inherent risks at his/her place of work. Responsibility of risk assessment rests with Internal Audit Department. Effective internal control system is maintained by ensuring that there is segregation of duties and enhancement of oversight systems. The Agency's Audit Committee is in charge of the overall risk management.

During the year ended 30th June 2018, there was no any principal risk or uncertainties for the Agency that Require disclosure in the financial statements.

4.9 RESOURCES

4.9.1 Human Resources and Employees' Welfare

The major resource that the Agency possesses is the human capital. It has well-trained personnel in all relevant disciplines. There were continued good relations between employees and management during the FY 2017/2018. There were no unresolved complaints received by Management from the employees during the year. Being an equal opportunity employer, the Agency gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion and disability which does not impair ability to discharge one's duties.

The Management believes that its employees should find working with TANROADS an inspiring and elevating experience, and consequently accepts co-responsibility for development of each employee to his/her full potential. Career progression is based on individual initiative towards the fulfillment of their responsibilities complemented by the Agency's commitment in facilitating the process of innovative thinking and professional expertise.

TANROADS is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any vacant position free from discrimination of any kind and

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without regard to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties. TANROADS accepts that, through total commitment, loyalty and dedication of its employees, it will be able to achieve its goals.

By 30th June 2018, the Agency had workforce of 747 employees under pensionable terms. These include 257 Engineers, 189 Technicians and 301 from other disciplines. 182 employees are at the Headquarters while the remaining 565 are in Regional Offices. However, there are other 1841 employees employed on contract terms; most of them serving in weighbridges stations, which makes a total number of employees as at 30th June 2018 to be 2,588.

4.9.2 TANROADS Savings and Credit Cooperative Society

TANROADS has a savings and credit co-operative society that provides both short and long term loans to staff. This arrangement reduces greatly the burden of issuing salary advances to staff by the Agency. Members of staff are encouraged to join the Agency's Savings and Credit Cooperative Society (TANROADS SACCOS) under the patronage of Chief Executive. The SACCOS assists in promoting the welfare of its employee members by providing soft loans. Loans are available to all eligible members provided they meet conditions there on. As at 30th June, 2018 TANROADS SACCOS had a total of 685 members with loaned out funds of TZS 662,880,000.00 to 71 members.

4.9.3 Training Facilities

During the year ended 30th June 2018, a total of 375 members of staff were trained as compared to planned figure of 232 members of staff. Over-performance in this area was achieved due to implementation of in-house courses and receipt of support from development partners.

4.9.4 Medical Assistance

The health of TANROADS staff has been given the utmost attention by ensuring that all employees join the National Health Insurance Fund (NHIF) for easy access to medical services. Under the arrangement both the employer and employee contribute to the fund at the rate of 3% of basic salary of an employee, making a total of 6%.

4.9.5 Financial Assistance

This is available to all employees depending on the merit of each case and liquidity position of the Agency as assessed by management. However, employees are encouraged to obtain salary advances or loans from TANROADS' SACCOS, a credit and savings society operated by TANROADS employees.

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4.9.6 Persons with Disabilities

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of a member of staff becoming disabled, every effort is made to ensure that his/her employment with the Agency continues and appropriate training is arranged. It is the policy of the Agency that training, career development and promotion of disabled persons is, as far as possible, identical to that of other employees.

4.9.7 Retirement Benefits

The Agency contributed statutory deductions towards five employees' pension scheme namely Parastatal Pensions Fund (PPF), Public Service Pension Fund (PSPF), and Local Authority Pension Fund (LAPF), Government Employees Pension Fund (GEPF) and National Social Security Fund (NSSF) on behalf of all permanent employees.

4.9.8 Gender Policy

The Gender policy is to give equal employment opportunities to women and men. During the year ended 30th June 2018, TANROADS continued recruiting women in various positions in the organization according to their qualifications and skills.

4.9.9 HIV/AIDS Awareness Programme

The Agency encourages her employees to undergo regular voluntary HIV tests and for those in need of medical assistance such assistance is provided by the Agency upon request.

4.10 MANAGEMENT RELATIONSHIP WITH STAKEHOLDERS

During the Financial Year 2017/18, a healthy relationship continued to exist among the employees, Management and trade union of the Tanzania Mines, Energy, and Construction & Allied Workers Union (TAMICO).

The Agency's operations cut across several stakeholders' interests. The Agency enjoys good and cooperative support from almost all stakeholders. Key to this relationship has been prompt and informed communication system.

For example, as a symbol of good relationship with other organisations, during the financial year ended 30th June 2018, the Agency made charitable donations of TZS 45,000,000.00. The donation was for the award of TZS 1,000,000.00 to each 10 best students in Engineering and the purchase of one laptop for each one of

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them. The contribution was made through Engineer's Registration Board (ERB). Both donations are included in note no 12 of the financial statements.

4.11 THE FINANCIAL STATEMENTS

TANROADS operating results for the year ended can be read from a set of Financial Statements which include the following;

- i) Statement of Financial Position;
- ii) Statement of Financial Performance;
- iii) Statement of Changes in Net Assets,
- iv) Statement of Cash Flows;
- v) Statement of Comparison of Budget against Actuals; and
- vi) Notes to the Financial Statements for clarification of policies and accounting procedures.

4.12 SERIOUSLY PREJUDICIAL MATTERS

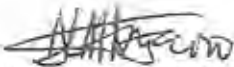
There was no any serious prejudicial matter during the year 2018 to warrant disclosure through this report.

4.13 RELATED PARTY TRANSACTIONS

During the reporting period, there were no related party transactions. However, other details are disclosed in the Notes to these Financial Statements.

4.14 AUDIT MANDATE

The Controller and Auditor General is the statutory auditor of The Tanzania National Roads Agency by virtue of Article 143 of the Constitution of the United Republic of Tanzania, amplified in section 30(1) of the Public Audit Act No.11 of 2008.



DR. DALMAS LUCAS NYAORO
 CHAIRMAN – BOARD OF DIRECTORS

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 MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION
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5.0 STATEMENT OF THE CHIEF EXECUTIVE

I have the honour and pleasure to give highlights of TANROADS performance, achievements and challenges faced during the Financial Year ended 30th June 2018.

Road maintenance is normally carried out on the national road network specified in the Roads Act 2007 and any other roads falling under the category upon subsequent reclassifications. The national roads network by the end of June 2018 was 36,258 km, which comprises 12,176 km of trunk roads and 24,082 km of regional roads. The length of paved roads by end the year ending 30th June 2018 was 9,951 km comprising of 8,264 km of trunk roads and 1,687 km of regional roads while the length of unpaved roads was 26,307km comprising of 3,912km of trunk roads and 22,395km of regional roads.

Road maintenance is fully funded through the roads fund collections. The total maintenance budget in FY 2017/18 was TZS 573,084,322 million. Up to the end of FY 2017/18, TANROADS received eleven (11) releases of Roads Fund for FY 2017/18 maintenance budget amounting to TZS 511,845,413 million which is equivalent to 89.31% of the approved budget.

The procurement for maintenance works in FY 2017/18 amounted to TZS 444,074,458 million, which commits 99% of the budget for works on trunk and regional roads. The implementation of Maintenance Program for FY 2017/18 which includes rollover for physical and financial commitment from FY 2016/17 continued in the Regions through execution of various maintenance activities. At the reporting time all rollover works from FY 2016/17 had been substantially completed. Cumulatively, the overall physical performance was 92% when compared to the annual program while the corresponding financial performance was 78% which suggests that there are outstanding payments to contractors rolled over to the next financial year.

The Development Program comprises of projects fully funded by the Government of Tanzania (GOT) and those funded jointly with other Multilateral and Bilateral Development Partners. The projects include construction of new roads, bridges, widening, rehabilitation and upgrading of existing roads and Performance-Based Management and Maintenance of Roads (PMMR) as well as rehabilitation of airports.

During the FY 2017/18 the approved budget for the Development Program was TZS 1,846,150,346 Million out of which TZS 1,300,657,916 Million was from the Government of Tanzania (GOT) and TZS 545,582,431 Million was from Development Partners. The allocation for Trunk Roads was TZS 547,236,000 Million in local currency and TZS 469,213,792 Million in equivalent foreign currencies.

The allocation for Construction of TANROADS office buildings is TZS 5,280,000 Million allocated from GoT funds. The allocation for Airports is TZS 100,000,00 Million from GoT funds and TZS 76,368,640 Million (equivalent) in foreign currencies (from Development Partners). An amount of TZS 29,500,00 Million has been

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allocated to the Regional Roads from the Consolidated Budget and TZS 29,819.00 Million from the 10% Roads Fund Contributions. The budget trend for the two recent years is presented hereunder,

Item	30 th June, 2018 TZS (Millions)	30 th June 2017 TZS (Millions)
RFB Maintenance - Budget	573,084.32	519,870.39
RFB 10% - Budget	87,953.41	42,960.80
Consolidated Budget (GoT) – Roads - Budget	1,200,567.92	1,222,115.63
Consolidated Budget (GoT) – Airports - Budget	100,000.00	0.00
Personal Emolument (PE)- Budget	15,065.05	16,288.74
Internal Generated Income - Budget	16,215.41	2,682.00
Development Partners - Budget	545,582.43	344,838.64
Total Budget	2,538,468.53	2,148,736.10

During the year ended 30th June 2018, a total of TZS 87,953.41 million was received from 10% Roads Funds to pay for development works and TZS 511,845.413 million was received for maintenance works. However this amount includes special releases and roll over funds from last year's budget.

TZS 1,114,184,460 million was received from Consolidated Fund Development for roads and TANROADS building in Dodoma and TZS 186,383,457 million for Airports and was received to settle outstanding as well as new claims.

From the table above, it shows that the amount of Consolidated Budget (GoT) – Roads was relatively lower compared to the amount released this was due to the Government initiatives to increase funds for clearing outstanding debts.

Maintenance of the national roads network has improved since the inception of TANROADS. The national roads network in fair to good condition has improved from 50% in the year 2000 to an average of 85% in June 2018. However, traffic congestion on the roads network in the major cities of Tanzania including Dar es Salaam, Arusha, Dodoma, Mwanza and Mbeya has become acute. The construction of Bus Rapid Transport roads, opening of ring roads, widening of some key roads and improvement of major junctions, construction of flyovers, interchanges and bypass roads are among the measures taken to minimize traffic congestion in the cities.

In supporting Government's initiative to implement the Public-Private Partnership (PPP) policy, TANROADS has strategically included in its new organization structure, which will be implemented in FY 2018/2019, a PPP unit which reports directly to the Chief Executive. During the reporting period, the private sector participated in execution of maintenance works, supply of consumables such as fuel, stationery, building materials and provision of services such as security, cleaning of offices.

Health, road safety, social and environmental issues have increasingly become major concerns in Tanzania as vehicles have increased on its road network. Proactively, TANROADS continues to ensure the engineering

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designs and construction of national roads incorporate appropriate road safety measures. During the year 2017/18 several projects for environmental and social related activities were undertaken. These included, to mention but a few, Monitoring of the Implementation of Environmental and Social Management Plan (ESMP) for the road projects, training/workshops on HIV/AIDS, Environmental issues to society living along the roads construction corridors and awareness campaigns on HIV to TANROADS Staff; Preparation of Environmental and Social Safeguard Policy for TANROADS, Supervision of Consultancy Services for Environmental and Social Impact Assessment (ESIA) studies and Environmental Baseline data Collection and monitoring of ESMP and Resettlement Action Plan (RAP) implementation for road projects and Supervision of Consultancy Services for Sensitization of HIV/AIDS, STI, TB Mitigation and Gender Issues.

The condition of airport infrastructure and facilities for most of the 58 airports owned by the government is poor. Only two (2) international airports (JNIA and KIA) and eight (8) domestic airports have paved runways in good condition. For the remaining 48 airports, six (6) have paved runways but in poor condition while 42 have either gravel or grass runways. The airports installed with Airfield Ground Lighting (AGL) to allow night operations are only five (5).

While appreciating the fact that, the Agency's responsibility is development, maintenance and management of roads network and rehabilitation of airports; TANROADS embraces available ICT tools hence uses the Government Integrated Financial Management System (IFMS) and Human Capital Management Information System (HCMIS) to ensure that TANROADS resources are effectively and efficiently managed for development of national roads network and airports.

Talking of challenges it is important to note that, maintenance costs of unpaved roads network and airports have been increasing year after year due to their requirement for re-gravelling / rehabilitation, vandalism of roads furniture, and pollution of the environment emanating from dust. Frequent re-gravelling has exhausted sources of gravel material, which has tremendously increased the construction and maintenance costs. Sourcing of materials also puts high demand on acquisition of land for opening new borrow pits which causes social disruptions in terms of displacement and land take. In order to sustainably develop and maintain the national roads network, TANROADS 5th Strategic Plan which started from 2016/2017 to 2020/2021 seeks to stabilize these infrastructures by upgrading the unpaved national roads to paved standard.

We are also faced with issues of unpaid claims which have resulted into increasing construction cost due to interest chargeable by contractors and consultants. However, we appreciate Government efforts in ensuring that the debts are reduced to a manageable and tolerable level. We received funds from the Government to pay for contractors/consultants verified debts amounting to TZS 998 billion as reported in FY 2016/17. At the end of this

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FY 2017/18 the debt has reduced to TZS 833 billion which includes new debts that were generated during the reporting financial year.

Finally, I acknowledge with appreciation that, the accomplishments TANROADS has made over its 17 years of existence are a direct result of our committed, dedicated and hardworking staff, development partners and a supportive Ministry of Works, Transport and Communication who together, have always been striving to ensure sustainability of safe and reliable roads network despite the existing challenges.



Eng. Patrick Mfugale
CHIEF EXECUTIVE

THE UNITED REPUBLIC OF TANZANIA
 MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION
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6.0 STATEMENT OF MANAGEMENT RESPONSIBILITY FOR THE YEAR ENDED 30TH JUNE 2018

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

TANROADS Management accepts responsibility for annual financial statements for the year ended 30th June 2018 which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards, Accrual Basis (IPSAS – Accrual) and in the manner required by Section 25(4) of the Public Finance Act, 2001 (R.E. 2004), Section 15(1) of the Executive Agencies Act No. 30 of 1997 (amended 2009) and the Agency's Accounting Manual. Procurement of goods, works, consultancy, and non-consultancy services to the extent that they are reflected in these financial statements have been done in accordance with the Public Procurement Act and Public Procurement Regulations (Amendment) Act, 2016.

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

To the best of the Management's knowledge, the system of internal control has operated adequately throughout the reporting period and that the records and underlying accounts provide a reasonable basis for the preparation of the financial statements for the financial year 2017/2018. The Management accepts responsibility of the integrity of the financial statement, the information it contains and its compliance with the Public Finance Act, 2001 (R.E 2004), the Executive Agencies Act, 1997 and instructions from the Treasury.

The going concern basis has been adopted in preparing the financial statements. The Management has no reason to believe that TANROADS will not be a going concern in the foreseeable future based on the support established on the Executive Agencies Act No. 30 of 1997 and the support the Agency receives from the Ministry of Works, Transport and Communication (MoWTC) and the Government of Tanzania (GoT) in

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TANZANIA NATIONAL ROADS AGENCY

general. This is regarded as an implied guarantee from the Government. Therefore, Tanzania National Roads Agency expects to continue in operation as a going concern Agency from the date of this statement.

With great honour and pleasure we present the Financial Statements of Tanzania National Roads Agency (TANROADS) for the period covering 1st July 2017 to 30th June 2018.



Eng. Patrick Mfugale

CHIEF EXECUTIVE

THE UNITED REPUBLIC OF TANZANIA
 MINISTRY OF WORKS, TRANSPORT AND COMMUNICATION
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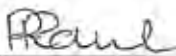
**7.0 DECLARATION OF THE HEAD OF FINANCE AND CHIEF ACCOUNTANT OF TANZANIA
 NATIONAL ROADS AGENCY**

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

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

I, CPA Rhoda P. Gwivaha being the Ag. Head of Finance and Chief Accountant of Tanzania National Roads Agency hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June 2018 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 of the Tanzania National Roads Agency operations as on that date and that they have been prepared based on properly maintained financial records.

Signed 

Position: Head of Finance and Chief Accountant

NBAA Membership No.: 1494 (ACPA)

Date: 28th September 2018

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2018

	NOTE	2017/2018 TZS '000	2016/2017 TZS '000
ASSETS			
Current Assets			
Cash and Cash equivalent	13	201,342,584	121,288,194
Receivables and Prepayments	15	171,931,951	163,019,686
Inventories	16	190,605	157,507
Total Current Assets		373,465,141	284,465,386
Non-Current Assets			
Property Plant and Equipment	22	20,864,634,121	19,809,969,531
Intangible Assets	24	2,861,879	3,008,242
Total Non-Current Assets		20,867,496,000	19,812,977,773
TOTAL ASSETS		21,240,961,141	20,097,443,159
LIABILITIES			
Current liabilities			
Payables and Accruals	17	868,635,527	999,308,171
Provision for Litigation	21	250,773	0
Total Current liabilities		868,886,300	999,308,171
Non-Current Liabilities			
Deferred Grants	18	43,705,972	43,705,973
Total Non-Current Liabilities		43,705,972	43,705,973
TOTAL LIABILITIES		912,592,272	1,043,014,144
NET OF TOTAL ASSETS & LIABILITIES		20,328,368,869	19,054,429,016
NET ASSETS			
Taxpayers Funds		18,610,784,021	18,610,784,021
Accumulated Surplus / (Deficit)		1,717,584,848	443,644,995
TOTAL NET ASSETS		20,328,368,869	19,054,429,016



Chief Executive
 30th September 2018



Director of Business Support
 30th September 2018

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TANZANIA NATIONAL ROADS AGENCY

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2018

	NOTE	2017/2018 TZS '000	2016/2017 TZS '000
Revenue			
Fees, fines, penalties and licenses	3	147,256	30,036
Current grants, transfers and subsidies received	4	2,232,190,433	1,250,763,790
Revenues from exchange transactions	5	8,606,263	8,777,716
Other Revenues	6	14,215,472	27,890,334
Total Revenue		2,255,159,424	1,287,461,876
Expenses			
Loss on foreign currency translation	7	1,057,637	2,307,294
Loss on disposal of assets	8	33,707	4,073
Current Grants, Transfer and Subsidies	25	26,346,996	48,452,383
Wages, salaries and employee benefits	9	44,205,813	44,472,495
Supplies and consumables used	10	35,257,293	33,016,928
Routine repair and maintenance expenses	11	532,718,723	417,051,810
Operating expenses	12	87,329,929	3,114,705
Depreciation of PPE	22b	5,110,126	3,957,593
Amortisation of Software	19	820,454	699,127
Total Expenses		732,880,678	553,076,408
Surplus/(Deficit) for the Year		1,522,278,746	734,385,468



Chief Executive
30th September 2018




Director of Business Support
30th September 2018

THE UNITED REPUBLIC OF TANZANIA
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CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2018

	Taxpayers Fund	Accumulated surplus/(deficit)	Revaluation surplus	Total
	TZS	TZS	TZS	TZS
At 01 st July 2017	18,610,784,020,542	443,644,995,458	0	19,054,429,016,000
Surplus/ (Deficit) during the year	0	1,522,278,746,000	0	1,522,278,746,000
Other Appropriations	0	(248,338,893,000)	0	(248,338,893,000)
At 30 th June 2018	18,610,784,020,542	1,717,746,970,969	0	20,328,368,869,000
At 01 st July 2016	8,304,877,179	(3,010,246,265,429)	(2,118,613,112)	(3,004,060,001,362)
Surplus/ (Deficit) during the year	0	734,385,468,000	2,118,613,112	736,504,081,112
Other Appropriations	18,602,479,143,363	2,719,505,792,887	0	21,321,984,936,250
At 30 th June 2017	18,610,784,020,542	443,644,995,458	0	19,054,429,016,000


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Chief Executive
30th September 2018


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Director of Business Support
30th September 2018

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TANZANIA NATIONAL ROADS AGENCY

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30TH JUNE 2018

	NOTE	2017/2018 TZS '000	2016/2017 TZS '000
Cash flows from operating activities			
Receipts			
Fees, Fines, Penalties and Licenses	3.	147,256	30,036
Current grants, transfers and subsidies received	4.	2,232,190,433	1,250,763,790
Revenue from exchange transactions	5.	8,542,405	8,964,776
Other Revenue	6.	19,144,879	27,752,439
Total Receipts		2,259,524,973	1,287,511,041
Payments			
Current Grants, Transfers and Subsidies	25.	(32,786,210)	(57,717,546)
Wages, salaries and employee benefits	9.	(44,030,950)	(44,415,502)
Supplies and consumables used	10.	(34,629,224)	(46,440,995)
Routine repair and maintenance expenses	11.	(529,749,549)	(510,791,776)
Operating expenses	12.	(87,079,155)	(3,114,705)
Total Payments		(728,275,088)	(662,480,524)
Net cash flows from/(used) in operating activities		1,531,749,885	625,030,517
Cash flows from Investing Activities			
Acquisition of property, plant and equipment	22	(1,450,637,808)	(708,739,851)
Acquisition of Intangibles	24	(50)	0
Net cash from investing activities		(1,450,637,858)	(708,739,851)
Net increase in cash and cash equivalents		81,112,027	(83,709,335)
Net foreign exchange difference	7.	(1,057,637)	(2,307,294)
Cash & its Equivalent at beginning of period		121,288,194	207,304,822
Cash & its Equivalent at end of period		201,342,584	121,288,194



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Chief Executive
30th September 2018


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Director of Business Support
30th September 2018

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TANZANIA NATIONAL ROADS AGENCY

CONSOLIDATED STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2018

	Original Budget (A)		Adjustments (B)		Final Budget (A+B)		Actual Amount on Comparable Basis (C)		Differences: Final Budget Vs Actual		Variances
	TZS '000		TZS '000		TZS '000		TZS '000		TZS '000		
Revenue											
Internal Generated Income	8,545,849		7,659,557		16,215,406		14,983,556		1,231,850		7.60%
Roads Fund Board - Maintenance Programme	573,084,320		0		573,084,320		511,945,412		61,238,908		10.69%
Road Fund Board 10% - Development Programme	43,664,580		44,088,833		87,953,413		87,953,413		0		0.00%
Consolidated Funds - Development Programme	682,016,000		618,551,916		1,300,567,916		1,300,567,916		0		0.00%
Consolidated Funds - Personal Emolument	14,379,510		685,540		15,065,050		15,065,050		0		0.00%
Grants Donor Funded	545,582,430		0		545,582,430		316,198,557		229,383,873		42.04%
Total Revenue	1,867,472,689		670,995,846		2,538,468,535		2,246,613,904		291,854,631		11.69%
Expenses											
Wages, Salaries and Employee Benefits	58,467,395		0		58,467,395		57,717,139		750,256		1.28%
Administration Costs	28,174,109		0		28,174,109		21,029,147		7,144,962		25.36%
Maintenance Expenses	509,368,175		0		509,368,175		445,123,923		64,244,252		12.61%
Development Expenses- Road Fund 10%	43,864,580		44,088,833		87,953,413		76,870,140		11,083,273		12.60%
Development Expenses- Consolidated-(Gov)	682,016,000		618,551,916		1,300,567,916		1,165,267,319		135,300,597		10.40%
Development Expenses- Consolidated-(Donor)	545,582,430		0		545,582,430		316,198,557		229,383,873		42.04%
Total Expenses	1,867,472,689		662,640,749		2,530,113,438		2,246,613,904		447,907,213		17.15%
Surplus/(Deficit) for the Year			8,355,097		8,355,097				156,052,582		


Chief Executive
30th September 2018


Director of Business Support
30th September 2018

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8.0 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

8.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with, and comply with, International Public Sector Accounting Standards (IPSAS) Accrual basis, and Tanzania Financial Reporting Standard No. 1. The financial statements are prepared under Accrual basis, unless otherwise indicated in this summary of significant accounting policies. Financial statement comprises of (i) Statement of Financial Position (ii) Statement of Financial Performance (iii) Statement of Cash Flow (iv) Statement of Change in Net Asset (v) Statement of Budget versus Actual and Notes to the Financial Statement. The financial statement has been prepared on going concern basis whereby it assumed TANROADS will be in operation for unforeseeable future. The accounting policies have been consistently applied to all periods presented in these financial statements.

8.1.1 Authorization Date

The financial statement were transmitted to the Controller and Auditor General (CAG) on 28th September 2018 and will be authorized for issuance after being tabled on and discussed by the Parliament on or by 31st March 2019.

8.1.2 Measurement Basis

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Tanzanian Shillings (TZS) and all values are rounded to the nearest thousand Shilling (TZS 000), except if otherwise indicated. Previous year's balances have been regrouped whenever appropriate for comparison purposes.

8.1.3 Statement of Compliance

The financial statements of the Agency have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) and comply with Part IV of the Public Finance Act, 2001 as amended in 2017 and Section 15 of the Executive Agencies Act, No. 30 of 1997.

8.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies are specific principles and procedures implemented by Agency's management and are used to prepare its financial statements. These include any methods, measurement systems and procedures for presenting disclosures. In FY 2017/18, principle accounting policies that were implemented have been applied on a basis consistent with those of previous year as set out below:

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8.2.1 Foreign Currency Translation

8.2.1.1 Functional and presentation currency

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

8.2.1.2 Transactions and balances

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing at respective dates of the transactions. Assets and liabilities at the Balance Sheet date that are denominated in foreign currencies (mainly United States Dollar, Sterling Pound or Euro) are translated into the functional currency using the Bank of Tanzania (BOT) exchange rate prevailing at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance.

8.3 Cash and cash equivalents

Cash and Cash equivalent in the statement of financial position comprise cash at banks and in hand. For Bank Accounts maintained in foreign currency, those currencies have been translated to Tanzanian Shillings basing on BOT exchange rate ruling at 30th June 2018. A total of 14 accounts are maintained with the Bank of Tanzania (BOT), while 30 accounts are maintained with the private banks. Introduction of e-payment system by the Government necessitated opening of new accounts to cater for the requirements. However, all bank accounts opened specifically for projects financed by development partners are closed immediately after the completion of such projects. During the reporting year, approval to close six (6) project bank account listed below was sought from the MoFP.

S/NO	ACCOUNT TITLE	ACCOUNT NO.	CURRENCY	BANK NAME
1	Central Transport Corridor Project	100750015	USD	Citibank Tanzania Ltd
2	Central Transport Corridor Project	0301050007	TZS	Exim Bank Tanzania
3	Central Transport Corridor Project-Interest	100750165	USD	Citi Bank Tanzania Ltd
4	Central Transport Corridor Project -Interest	0301050018	TZS	Exim Bank Tanzania Ltd
5	Second Central Transport Corridor Project	100750167	USD	Citi Bank Tanzania Ltd
6	Second Central Transport Corridor Project	9931206641	USD	Bank of Tanzania

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8.4 Employment benefits

Employee benefits include salaries, pensions and other related – employment costs. In conformity with statutory requirement, employees are members of Public Service Pensions Fund (PSPF), National Social Security Fund (NSSF), Local Government Pensions Fund (LAPF), PPF Pension Fund and Government Employees Provident Fund (GEPF). TANROADS contributes 15% of basic salary to PSPF, PPF, GEPF, LAPF and 10% to NSSF for all permanent and contract employees. TANROADS joined the National Health Insurance Fund (NHIF), hence, both the employer and employee contribute 3% of gross salary to the National Health Insurance Fund. This financing scheme in health sector has improved the coverage and accessibility to health care services; TANROADS pays the medical bills for items/treatment that are not covered by NHIF.

TANROADS also registered with the Workers Compensation Fund (WCF), a social security scheme, meant to compensate workers (or their dependants if workers die) for accidents suffered & diseases contracted in course of employment as per provisions of the Workers Compensation Act No. 20 of 2008. Being a public sector employer, TANROADS contributes 0.5% of employees' basic salary.

The Agency enhances capacity building for its staff by sponsoring short and long-term training. Several staff attended local and foreign training on general management courses, professional courses, secretarial practices, Information and Communication Technology (ICT) and customer care courses to improve their performance. During the reporting financial year, a total of 375 members of staff were trained against the planned figure of 232 members of staff. Over-performance in this area was achieved due to implementation of in-house training and receipt of funds from development partners for this purpose.

Employment benefits and Agency's contributions to the mentioned schemes are treated as Expenses in the Statement of Financial Performance in the year to which they relate. Any liability for employees' accrued benefits at the end of the financial year are recognised as accruals in the Statement of Financial position as at that date.

8.5 Revenues from exchange transactions

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Agency and the revenue can be measured reliably. Revenue is reduced for estimated customer returns, rebates and other similar allowances; these are all captured in the Statement of Financial Performance. Sources of revenue from exchange transaction include the following.

8.5.1 Sale of goods

Revenue from the sale of goods is recognized when all of the following conditions are satisfied:

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- i) The Agency has transferred to the buyer both the significant risks and rewards of ownership of the goods;
- ii) The Agency retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii) The amount of revenue can be measured reliably;
- iv) It is probable that the economic benefits (funds received) associated with the transaction will flow to the entity; and
- v) The costs incurred or to be incurred in respect of the transaction can be measured reliably;

8.5.2 Rendering of services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- i) installation fees are recognized by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the statement of financial position date;
- ii) servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold, considering historical trends in the number of services actually provided on past goods sold; and
- iii) Revenue from time and material contracts is recognized at the contractual rates as labour hours are delivered and direct expenses are incurred.

8.5.3 Rental income

Rental income from investment properties is recognized, in the Statement of Financial Performance, on a straight-line basis over the term of the relevant lease. In Manyara Region, SUMATRA occupies part of TANROADS office building (which is not for business purposes), and pays monthly rent.

8.6 Revenues from non-exchange transactions

These are revenues received from another entity without directly giving approximately equal value in exchange. These include the following;

8.6.1 Government grants

- i) *The Roads Fund Board*

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TANROADS receives part of its revenue from the Roads Fund Board (RFB) in line with the signed performance agreement between the two parties.

TANROADS conducts its operations in all Regions in Tanzania Mainland that is 26 Regions with its Head Office in Dar-es-Salaam. TANROADS budgetary Regions allocations are effected through transfers according to the approved annual budget. However during consolidation of financial statements Transfers are eliminated.

ii) Ministry of Works, Transport and Communication (MoWTC)

TANROADS, also, receives grants, mainly for roads development projects, from the Ministry of Works, Transport and Communication (MoWTC). Currently, grants received from MoWTC for roads development projects are accounted for on a cash basis i.e. if the whole budgeted amount is not received; the unreleased amount is not recognized as receivables in the Statement of Financial Position, the shortfall, if any is reflected in the Statement of Comparison between budget and actual.

iii) Other transfers

Other transfers include gifts, donations (including goods-in-kind), and transfers from other Government entities. These are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and the fair value of the asset can be measured reliably. Services-in-kind are not recognized as revenue, but are disclosed in the financial statements. However, during the year, the Agency did not receive any services in kind from any institution.

8.6.2 Interest income

Interest income is accrued from Bank deposits on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

8.6.3 Receipts from Liquidated Damages

Liquidated damages are amounts of money that contracting parties agree on as the amount of damages one of them can recover if the other party acts contrary to a specific contract clause. It is a recovery of damage one of the parties has suffered, and like all other funds received by the Agency, it has to be received and recorded as revenue in the statement of financial Performance. Receipts of this nature are strictly spent on works contract because in actual fact no movement of cash is involved, rather the Contractor/Service Provider is paid lesser amount because recovery (deduction) is made from their invoices.

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8.6.4 Intangible Assets

8.6.4.1 Useful life

TANROADS will assess whether the useful life of an intangible asset is finite or indefinite. An intangible asset has an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Recent assessment of our intangible assets indicated that the useful life is 5 years.

8.6.4.2 Intangible assets with finite useful lives

An intangible asset with a finite useful life will be amortised over its useful life. The amortisation method should reflect the pattern in which the asset's future economic benefits are expected to be consumed. If that pattern cannot be determined reliably, the straight-line method is to be used.

Amortisation will be charged in relation to the asset from the first day it is put into use and to cease at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised.

The residual value of an intangible asset with a finite useful life will be zero unless there is a commitment by a third party to purchase the asset at the end of its useful life to the TANROADS, or there is an active market for the asset, residual value can be determined by reference to that market and it is probable that such a market will exist at the end of the asset's useful life.

The amortisation period and method for an intangible asset with a finite useful life will be reviewed at least at the end of each annual reporting period. If the expected useful life or expected pattern of consumption of the future economic benefits is different from previous estimates, the amortisation period or the method will be changed accordingly. Such changes shall be accounted for as changes in accounting estimates in accordance with (IPSAS 3) Accounting Policies, Changes in Accounting Estimates and Errors.

8.6.4.3 Intangible assets with indefinite useful lives

Intangible assets with an indefinite useful life will not be amortised. TANROADS is required to test an intangible asset with an indefinite useful life for impairment annually, and whenever there is an indication that the intangible asset may be impaired.

At each period, TANROADS will assess whether events and circumstances continue to support an indefinite useful life assessment for that asset. If they do not, the change to a finite useful life shall be accounted for as a change in accounting estimate in accordance with (IPSAS 3).

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8.6.4.4 De-recognition

An intangible asset shall be derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Any gain or loss arising is to be recognised in profit or loss when the asset is derecognised. Gains must not be classified as revenue, but shown as a gain in profit or loss.

8.6.5 Property, plant and equipment

Property, Plant and Equipment (PPE) are controlled and used by TANROADS in its day-to-day operations. PPE, however, for the purpose of these financial statements, includes also infrastructure assets like roads and bridges which are public properties. Through Government directives, TANROADS had been authorized/mandated to construct Airport runways, which are among the PPE, however none of those airports has been completed, hence do not feature under PPE but rather W.I.P

8.6.6 Administrative Assets

All categories of property, plant and equipment (acquired and self-constructed) are initially recognized at cost except infrastructure assets. Cost includes purchasing/construction cost and expenditure attributable to the acquisition or construction of the assets, costs incurred subsequently to add to, or replace part of property, plant and equipment. Motor vehicles purchased prior to FY 2008/2009 had their costs fully depreciated as at 30th June 2016, hence were revalued by Tanzania Electrical, Mechanical and Services Agency (TEMESA) to reflect current values (as at the date of valuation). Property, Plant and Equipment are always revalued by independent valuers when needs arise. Purchased software that is integral part to the functionality of related equipment is included in the cost of the related equipment. If a replacement is recognized in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognized.

Repairs and Maintenance expenses are charged to the Statement of Financial Position, while increases in the carrying amount arising from valuation are recognized in the Statement of Financial Position and accumulated in the Statement of Financial Position as valuation surplus.

8.6.7 Infrastructure Assets

The cost of infrastructure assets i.e. roads, bridges and includes expenditure on materials, direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the initial estimated cost of dismantling and removing the items and restoring the site on which the infrastructure assets are located. Unlike other assets, infrastructure assets have not been depreciated during the year, as the Management is looking for the best policy of depreciation to be adopted after a thorough study and comparison with other countries.

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8.6.8 Work in Progress (Administrative and Infrastructure Assets)

Items of capital work-in-progress (WIP) are recognized at cost. The cost of capital work-in-progress assets include costs of material, direct labour and any other costs directly attributable to bringing the asset to a condition where it is ready for its intended use. Capital work-in-progress is ready for its intended use once hand over certificate is issued and at this point capital work-in-progress is recognised as part of property, plant and equipment although not depreciated until the assets in question is placed in service.

Included in the figure of WIP are costs associated with the construction and rehabilitation airports. Once these Airports are completed, the amount of WIP will be transferred to Assets Account and eventually to TAA which is responsible for maintenance of the same and collection of revenue accruing from the use of airports by the public.

8.6.9 Depreciation

Depreciation of PPE, other than land and assets under construction, is calculated using a straight-line method, over the useful life of the asset. The annual rates of depreciation which have been consistently applied are as follows:

Description	Depreciation %
Administrative assets	
Buildings and structures	4
Furniture and fittings	10
Plant and Machinery	10
Office Equipment	15
Motor Vehicles	25
IT Equipment	25
Infrastructural assets	
Roads	Study is being carried out to establish the life span of each category of Infrastructure assets for application in FY 2018/19 Financial Statements
▪ Tarmac Roads - Asphalt Concrete	
▪ Tarmac Roads - Surface Treatments	
▪ Tarmac Roads - Concrete Roads	
▪ Gravel Roads	
▪ Engineered Earth Roads	
Bridges	
▪ Concrete bridges	
▪ Steel bridges	
▪ Composite Bridges	
▪ Timber bridges	

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The residual values, useful lives and methods of depreciating property, plant and equipment are reviewed and adjusted if appropriate, at the end of each financial year.

8.6.10 Assets Pledged as Security for Liabilities

None of the Agency's assets has been pledged as security for liabilities.

8.6.11 Investment Property

Investment property, a property held to earn rentals and or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in the statement of financial performance for the period in which they arise. TANROADS does not have such kinds of properties. All properties are held to carry out the day-to-day operation of the Agency.

8.6.12 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be principally recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable (within one year from the date of classification) and the asset is available for immediate sale in its present condition. Non-current assets classified as held for sale are measured at the lower of the asset's previous carrying amount and the fair value less costs to sell. However, during financial year 2017/18, there were no non-current assets held for sale. Proceeds from the sale of these assets, if any, are recognized in the Statement of Financial Performance as miscellaneous receipts, TANROADS seeks approval from the Ministry of Finance and Planning (MoFP) to utilize the proceeds to meet administrative costs.

8.6.13 Derecognition of PPE

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of financial performance in the year of derecognition.

8.6.14 Provisions and Contingent Assets

Provisions are recognized when the Agency has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Agency expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is

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recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in surplus/deficit net of any reimbursement.

During the financial year ended 30th June 2018, TANROADS was involved in 82 court cases; of which 11 cases were determined to finality and 71 were still on-going at various registries of the High Court of Tanzania, the chief Magistrates court of Mombasa, the High Court of Kenya at Mombasa, District Land and Housing Tribunal for Mwanza and labour cases at the Commission of Mediation and Arbitration (CMA).

The eleven (11) cases that have been ruled by court, have resulted into liabilities and assets amounting to TZS 250,773,440.00 and TZS 21,096,232,071.13 respectively. Provision for the liability amounting to TZS 250,773,440.00 has been made in the financial statements. The contingent assets amounting to TZS 21,096,232,071.13 have not been recognised. Refer Appendix no 1

8.6.15 Disclosure of Related Party Transactions

In the context of IPSAS 20 [(34 (a) - (c))], related party comprises of the TANROADS Board, Chief Executive and Directors (full time Directors). During the reporting period, there were no related party transactions; rather the following were compensated through remuneration, advisory and other related costs. No loan was advanced to them during the year hence no any outstanding amount was due from related parties. The total remuneration paid to these individuals for the FY 2017/18 was TZS 754,534,000.00 as analysed below:

Payments to Related Party for the Year Ended 30 th June 2018				
Description	The Board	CE	Directors	Total
Board Members Allowance	41,000,000.00	-	-	41,000,000.00
Salary	-	113,964,000.00	294,000,000.00	407,964,000.00
Residential Accommodation	-	15,360,000.00	-	15,360,000.00
Medical Expense	-	6,000,000.00	-	6,000,000.00
Bonuses	-	284,210,000.00	-	284,210,000.00
Total	41,000,000.00	419,534,000.00	294,000,000.00	754,534,000.00

8.6.16 Inventories

TANROADS does not hold inventories for sale. However, there are items which are stocked for immediate consumption. They are consumables and include items like fuel, stationery, soaps and other office supplies.

The value of items consumed during the reporting period is recognized in the Statement of Financial Performance as supplies and consumables.

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8.6.17 Taxes

TANROADS being an executive agency of the Government with Value Added Tax (VAT) registration No. VRN 40-022537-J and Taxpayers Identification Number (TIN) 100-985-748 is exempted from tax on surplus for the year.

Revenues, expenses and assets are recognized net of the amount of value added tax except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the Tax Authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of value added tax included.

8.7 Events after reporting date

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
 - Those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).
- The agency had no any events after reporting date which needs to be disclosed.

8.8 Judgments, estimates and assumptions

In the application of Agency's accounting policies, the Management is required to make judgements, estimates and assumptions about the carrying amounts of assets, liabilities and contingent liabilities that are not apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

In the process of applying the Agency's accounting policies, management has made the following judgment, estimates and assumptions which have significant effect on the amounts recognized in the financial statements as discussed below:

8.9 Determination of the useful lives of property, plant and equipment

Management uses reasonable judgment in determining the useful lives of assets hence depreciation rates of the items of property, plant and equipment. However, Depreciation rates for Roads and Bridges have not been

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established. Study is going on to establish more realistic useful life of each category of infrastructure for application of the same in the Financial Statements for 2018/2019.

8.10 Impairment of assets

The Agency assesses whether there are any indicators of impairment for assets at each reporting date. Assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

8.11 Comparative Figures

Comparative figures have been regrouped or adjusted necessary to conform to changes in presentation in the current year.

8.12 Receivables and Payables from Weighbridge Operations

According to (Establishment) Amendment order 2009 TANROADS is responsible to establish and operate Weighbridges and enforce Axle load control on Road network under its control for collections of overloading fees and other charges from weighbridge operations on behalf of the Roads fund Board. The fees/charges are collected through Weighbridge Collections Account maintained at CRDB and are transferred to RFB collection maintained at the BoT at the end of every month.

During the reporting FY 2017/2018 a total of TZS 6,753,585,793 was received from weighbridge operations; TZS 6,068,200,793.00 was transferred to RFB.

Included in Note 15 (Receivables and Prepayments) is an amount of weighbridge debtors amounting to TZS 218,808,000.00 for FY 2017/2018, which suggests that this amount still owes from transporters and is expected to be received in the near future.

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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2018

	2017/2018	2016/2017
	TZS '000	TZS '000
3 - Fees, fines, penalties and licenses		
Fines, Penalties and Forfeitures	137,719	30,036
Motor Vehicle Fines and Penalties	9,537	0
	147,256	30,036
4 - Current grants, transfers and subsidies received		
Capital Grants from Ministry of Finance- MOFTZ	0	988,150
Capital Grants from Development Partners	316,198,657	217,554,815
Capital Grants from MOWTC (Consolidated - Airports)	186,383,457	0
Capital Grants from MOWTC (Consolidated - Bridges& Roads)	1,114,184,460	507,222,551
Capital Grants from RFB - 10% For Roads Devpt	87,963,413	7,935,254
Current Grants from MOWTC (PE)	15,065,050	15,377,281
Current Grants from RFB (Maintenance)	511,845,413	501,685,739
Current Grants from Other Gvt Organizations	560,083	0
	2,232,190,433	1,250,763,790
5 - Revenues from exchange transactions		
Consultancy Fees	105,218	100,633
Hire of Services	249,981	170,746
Laboratory Charges	6,956,924	7,112,976
Rent-Government Houses	8,748	8,748
Tender Documents	1,285,392	1,384,513
	8,606,263	8,777,716
6 - Other Revenues		
Bank Interest	597,187	2,499,239
Miscellaneous Receipt	3,904,358	7,438,138
Receipt from Liquidated Damages	1,192,321	773,218
Receipt from Projects Assets	1,231,850	10,382,455
Receipt from Public-Toilet services	220,973	154,603
Receipt from sale of Publications	3,508	8,161
Salary in Lieu of Notice	2,039	2,591
Stale Cheques Reversed	309,651	127,703
Weighbridge Charges	6,753,585	6,504,226
	14,215,472	27,890,334

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	2017/2018	2016/2017
	TZS '000	TZS '000
7 - Loss on foreign currency translation		
Loss on Currency Translation	1,057,637	2,307,294
	1,057,637	2,307,294
8 - Loss on disposal of assets		
Gain/Loss on Disposal of Furniture and Fittings	0	3,077
Gain/Loss on Disposal of IT Equipment - Computer & Pho	362	0
Gain/Loss on Disposal of Office Equipment	33,345	996
	33,707	4,073
9 - Wages, salaries and employee benefits		
Acting Allowance	192,225	139,745
Casual Labourers	15,830	0
Civil Servants - Contracts	16,553,401	16,685,553
Civil Servants - Pensionable	15,065,050	15,683,365
Court Attire Allowance	4,000	0
Disturbance Allowance	9,928	212,814
Extra-Duty	1,588,682	5,749,151
Food and Refreshment	0	29,943
Government Employees Provident Fund (GEPF)	89,656	49,267
Gratuities	0	22,000
Honoraria	337,130	255,000
Leave Travel	969,859	1,014,557
Local Authorities Pension Fund (LAPF)	173,845	59,726
Medical and Dental Refunds	59,832	90,230
Moving/Transfer Allowance	260,341	5,755
National Health Insurance Schemes(NHIF)	155,023	98,289
National Social Security Fund (NSSF)	1,253,848	1,173,506
Outfit Allowance	10,200	6,833
Parastatal Pension Fund (PPF)	89,688	222,844
Public Service Pension Fund (PSPF)	47,779	47,393
Responsibility Allowance	6,783,211	2,626,425
Special Allowance - Burial Expenses	130,210	0

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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2018

	2017/2018	2016/2017
	TZS '000	TZS '000
Subsistence Allowance	323,312	211,891
Telephone	18,869	27,378
Uniform Allowance	12,160	0
Workers Compensation Fund (WCF)	61,734	60,830
	44,205,813	44,472,495
10 - Supplies and consumables used		
Air Travel Tickets - Domestic	332,132	336,838
Air Travel Tickets - Foreign	71,038	119,179
Air Travel Tickets - Training - Domestic	17,791	35,154
Air Travel Tickets - Training - Foreign	21,804	0
Books, Reference and Periodicals	0	28,570
Catering Services	0	12,030
Cleaning Supplies	148,610	170,017
Communication - Advertising and Publication	665,599	796,845
Communication - Courier Services	98,125	68,212
Communication - Internet and Email Connections	1,893,464	860,781
Communication - Mobile Charges	97,621	95,335
Communication - Network Services	3,125	0
Communication - Posts and Telegraphs	27,005	24,449
Communication - Publicity	300	0
Communication - Satellite access services	250	0
Communication - Subscription and Annual Fees	143,970	182,331
Communication - Technical Service Fees	204,794	750
Communication - Telephone Charges (Land Lines)	153,675	109,582
Communication - Telephone Equipment (Mobile)	1,639	0
Communication - Transcriptions Services	0	1,501
Computer Supplies and Accessories	773,189	935,452
Conference Facilities	53,581	31,655
Contract based training services	21,900	92
Diesel	6,496,803	5,799,455
Electricity charges	1,253,051	1,254,096
Entertainment	23,922	58,758
Exhibition, Festivals and Celebrations	1,234,806	212,642

TANROADS Financial Statements for the Year Ended 30th June 2018

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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2018

	2017/2018	2016/2017
	TZS '000	TZS '000
Food and Refreshments	490,673	197,362
Fumigation	22,585	4,212
Geological Surveys	2,500	0
Gifts and Prizes	483,410	14,637
Ground Transport (bus, train, water)-Training - Domestic	2,620	5,420
Ground travel (bus, railway taxi, etc) - Domestic	107,340	369,156
Land Rent, Local rates, Levies and Licenses	23,433	1,850
Lubricants	63,896	88,469
Maintenance - Heavy Equipment	1,015	0
Maintenance Computer Software	66	0
Mapping Surveys	48,625	853,373
Material Lab Consumables	48,208	81,618
Materials Testing Services	29,310	0
Motor Oil	12,199	214,670
Newspapers and Magazines	59,865	67,507
Office Consumables	1,838,778	1,024,283
Outsourcing Costs	524,452	2,135,356
Per Diem - Domestic	13,148,240	13,221,096
Per Diem - Foreign	439,636	163,216
Petrol	21,970	116,312
Printing and Photocopy papers	354,584	357,564
Printing and Photocopying Costs	129,912	187,370
Remuneration of Instructors - Training - Domestic	6,500	8,610
Rent - Office Accommodation	2,158,035	1,818,969
Rent of Vehicles and Crafts	511,408	298,057
Research and Dissertation - Training - Domestic	19,950	34,800
Research and Dissertation - Training - Foreign	39,359	122,257
Sewage Charges	227,987	121,508
Software License Fees	81,795	31,008
Technical Materials	100	0
Training	0	700
Training Allowances - Domestic	12,440	6,000

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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2018

	2017/2018	2016/2017
	TZS '000	TZS '000
Training Materials - Domestic	8,410	11,745
Tuition Fees - Training - Domestic	392,475	149,481
Tuition Fees - Training - Foreign	19,240	9,844
Uniforms	10,380	0
Upkeep Allowances - Training - Foreign	35,369	0
Visa Application Fees - Foreign	525	0
Water Charges	142,010	158,237
Water Transport - Domestic	0	8,513
	35,257,293	33,016,928

11 - Routine repair and maintenance expenses

Carwash & Parking Expenses	72,064	74,926
Cement, Bricks and Building Materials	9,150	0
Direct labour - Maintenance of Machinery, Equipment & Plant	1,270	0
Direct Labour (contracted or casual hire) - Maintenance of Buildings	360	0
Electrical and Other Cabling Materials	15	0
Government Workshops	1,740	0
Maintenance - Furniture & Fittings	30,417	12,323
Maintenance - Plumbing Supplies and Fixtures	5,050	0
Maintenance - TV sets and Radios	69	0
Maintenance -Fax machines and other office equip	23,920	27,548
Maintenance -Motor Vehicles and Water Craft	4,538,401	3,854,845
Maintenance -Photocopiers	110,520	125,125
Maintenance -Photographic and survey equipment	3,966	0
Maintenance -Precision tools, weights and measures instruments	622,470	592,198
Maintenance -Telephones and Office PABX systems	151	3,539
Maintenance-Computers, printers, scanners,	160,761	207,228
Maintenance - Air Conditioners	32,536	51,773
Maintenance - Airports	810,554	0
Maintenance - Bridges	35,766,302	32,520,179
Maintenance - Electrical cabling and equipment (traffic lights)	8,736	0
Maintenance - Regional Roads	325,961,048	238,188,283
Maintenance - Trunk Roads	162,148,165	138,706,906
Maintenance - Weighbridges	244,001	81,431

TANROADS Financial Statements for the Year Ended 30th June 2018

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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2018

	2017/2018	2016/2017
	TZS '000	TZS '000
Maintenance of Buildings	578,603	752,848
Maintenance of Machinery, Equipment & Plant	58,564	229,039
Maintenance of Office Equipment & Appliances	299,951	90,075
Mechanical, electrical, and electronic spare parts	354,751	247,136
Metal barriers	0	970
Small tools and equipment	0	29,600
Small tools and implements	190	0
Spare Parts	397,961	523,955
Tyres and Batteries	476,923	731,883
Wood and Timber Supplies	114	0
	532,718,723	417,051,810
12 - Operating expenses		
Bank Charges and Commissions	165,759	213,302
Board Member Advisory Fees	41,000	0
Burial expenses	132,269	67,872
Consultancy Fees	1,783,648	200,100
Legal Fees	50,982	31,996
Litigation Expenses	83,340,667	0
Redundancy Payment	7,500	22,651
Security Services	1,073,470	919,304
Sundry Expenses	238,458	571,818
Surveys	403,894	980,132
Valuation fees	92,282	107,531
	87,329,929	3,114,705

13 - Cash and Cash equivalent

Cash and cash equivalents consist of cash on hand and balance with banks. Cash and cash equivalents included in the cash flow statement comprise the following statement of financial position amounts

THE UNITED REPUBLIC OF TANZANIA
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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2018

	2017/2018 TZS '000	2016/2017 TZS '000
Admin and Operation Account	8,248,177	6,188,439
TANROADS Basket Fund	3,226,719	3,226,719
TANLAB-CML Collection Bank Account	368,138	722,629
TANROADS Collection Bank Account	30,450,964	34,096,442
TANROADS Collection (USD) Bank Account	2,542,778	2,542,778
Danish RSPS Phase 3 Bank Account	0	115
Development Bank Account	43,386,382	15,339,651
Development- Counter Party Funding	1,430,347	1,235,477
Maintenance Bank Account	26,151,211	26,466,891
Retention Bank Account	22,734,815	17,931,703
TANROADS - RFB Collection Account	61,905,931	13,105,160
Basket Fund (USD)	211,937	212,319
Weigh Bridge Bank Account	685,385	219,870
	201,342,584	121,288,194
15 - Receivables and Prepayments		
Contractors' Advances Control	171,151,964	85,917,909
Imprest Control	0	20,828
Prepayments	4,300	3,869,025
Refundable VAT	0	72,565,206
Salary Advance Control	43,800	31,915
Trade Debtors	513,079	449,220
Weighbridges Debtors	218,808	165,583
	171,931,951	163,019,686
16 - Inventories		
Consumables - Materials and Supplies	190,605	157,507
	190,605	157,507
17 - Payables and Accruals		
Accrued Expenses	78,547	21,137
Construction Development Works (Devt)	833,000,945	967,532,309
Maintenance Works (Mtce)	9,419,653	9,996,258

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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2018

	2017/2018 TZS '000	2016/2017 TZS '000
Other Deductions	269,946	0
Refundable Tender Security	564,721	241,088
Retention Money Payable	23,507,832	20,157,994
Road Reserve Collection Payable	352,088	851,641
Staff Claims	226,235	65,292
Stale Cheque Accommodation	434,646	232,196
Supplies (Goods and Services)	780,914	210,256
	868,635,527	999,308,171
21- Provision for Litigation	250,773	0
22 - Property, Plant and Equipment		
Accumulated Depreciation Buildings	(1,094,448)	(703,274)
Accumulated Depreciation Furniture and Fittings	(801,942)	(701,473)
Accumulated Depreciation IT Equipment	(2,794,465)	(2,385,410)
Accumulated Depreciation Motor Vehicles	(5,210,211)	(2,403,439)
Accumulated Depreciation Office Equipment	(3,851,314)	(3,315,550)
Accumulated Depreciation Plant and Machinery	(10,669,167)	(9,419,143)
Buildings	3,098,393	3,098,393
Furniture and Fittings	1,356,512	1,252,902
Infrastructure	18,692,233,657	18,602,479,143
IT Equipment	3,862,950	3,337,493
Land	1,081,252	1,081,252
Motor Vehicles	14,806,623	10,813,035
Office Equipment	6,058,815	5,437,779
Plant and Machinery	12,690,503	12,528,578
W.I.P Construction Office Building	6,528,665	1,411,115
W.I.P. Construction - Airports	199,473,839	8,635,819
W.I.P. Construction - Roads	1,889,206,851	1,147,252,881
W.I.P. Construction - Weighbridges	28,761,428	24,807,611
W.I.P. Construction- Bridges	29,896,180	7,161,819
	20,864,634,121	19,809,969,531

24 - Intangible Assets

THE UNITED REPUBLIC OF TANZANIA
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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2018

	2017/2018	2016/2017
	TZS '000	TZS '000
Accumulated Amortisation Software	(1,519,581)	(699,127)
Computer Software	4,381,410	3,707,368
Mineral Exploration Rights	50	0
	<u>2,861,879</u>	<u>3,008,242</u>
25 - Current Grants, Transfer and Subsidies		
Transfer From Head Office	(633,465,529)	(565,475,955)
Transfer Road Reserve User Charges	0	5,279,692
Transfer to Regions	633,465,529	565,475,955
Transfer to/from other Companies/Cost Centers	26,346,996	43,172,691
	<u>26,346,996</u>	<u>48,452,383</u>
18 - Deferred Grants		
Deferred Capital Grant - GOT	8,069,255	15,570,698
Deferred Capital Grant - RFB	11,028,239	15,000,000
Deferred Recurrent Grant - RFB	24,608,478	13,135,275
	<u>43,705,972</u>	<u>43,705,973</u>
DEFERRED CAPITAL GRANTS(GOT) FOR THE YEAR ENDED 2017/18		
Opening balance	15,570,698	623,187,344
Addition for the year	1,300,568	507,223
Available for the year	<u>16,871,266</u>	<u>623,694,567</u>
Less		
Amount amortized (consumed during the year)	8,802,011	608,123,869
Closing balance	<u>8,069,255</u>	<u>15,570,698</u>
Deferred capital (RFB 10%) grants for the year ended 2017/18		
Opening balance	15,000,000	-
Addition for the year	87,953,413	7,935,254
Available for the year	<u>102,953,413</u>	<u>7,935,254</u>
Less		
Amount amortized (consumed during the year)	91,925,174	22,935,254
Closing balance	<u>11,028,239</u>	<u>15,000,000</u>
Deferred recurrent grants for the year ended 2017/18		
Opening balance	13,135,275	24,358,689
Addition for the year	573,084,320	501,685,739
Available for the year	<u>586,219,695</u>	<u>526,044,428</u>
Less		
Amount amortized (consumed during the year)	561,611,117	526,031,293

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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2018

	2017/2018 TZS '000	2016/2017 TZS '000
Closing balance	24,608,478	13,135,275
3. - Fees, fines, penalties and licenses		
Fines, Penalties and Forfeitures	137,719	30,036
Motor Vehicle Fines and Penalties	9,537	0
	147,256	30,036
4. - Current grants, transfers and subsidies received		
Capital Grants from Ministry of Finance- MOFTZ	0	988,150
Capital Grants from Development Partners	316,198,557	217,554,815
Capital Grants From MOWTC (Consolidated - Airports)	186,383,457	0
Capital Grants from MOWTC (Consolidated - Bridges& Roads)	1,114,184,460	507,222,551
Capital Grants from RFB - 10% For Roads Devpt	87,953,413	7,935,254
Current Grants from MOWTC (PE)	15,085,050	15,377,281
Current Grants from RFB (Maintenance)	511,845,413	501,685,739
Current Grants CCC from Other Gvt Organizations	560,083	0
	2,232,190,433	1,250,763,790
5. - Revenues from exchange transactions		
Consultancy Fees	105,218	100,833
Hire of Services	249,981	170,746
Laboratory Charges	6,893,066	7,300,036
Rent-Government Houses	8,748	8,748
Tender Documents	1,285,392	1,384,613
	8,542,405	8,964,776
6. - Other Revenues		
Bank Interest	597,187	2,499,239
Miscellaneous Receipt	8,833,765	7,300,243
Receipt from Liquidated Damages	1,192,321	773,218
Receipt from Projects Assets	1,231,850	10,382,455
Receipt from Public-Toilet services	220,973	154,603
Receipt from sale of Publications	3,508	8,161
Salary in Lieu of Notice	2,039	2,591
Stale Cheques Reversed	309,651	127,703
Weighbridge Charges	6,753,585	6,504,226
	19,144,879	27,752,439
7. - Net foreign exchange difference		
Loss on Currency Translation	1,057,637	2,307,294
	1,057,637	2,307,294

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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2018

	2017/2018	2016/2017
	TZS '000	TZS '000
9. - Wages, salaries and employee benefits		
Acting Allowance	192,225	139,745
Casual Labourers	15,830	0
Civil Servants - Contracts	16,553,401	16,685,553
Civil Servants - Pensionable	15,066,050	15,683,365
Court Attire Allowance	4,000	0
Disturbance Allowance	9,928	212,814
Extra-Duty	1,588,682	5,749,151
Food and Refreshment	0	29,943
Government Employees Provident Fund (GEPF)	89,656	49,267
Gratuities	0	22,000
Honoraria	337,130	255,000
Leave Travel	969,859	1,014,557
Local Authorities Pension Fund (LAPF)	173,845	59,726
Medical and Dental Refunds	59,832	90,230
Moving/Transfer Allowance	260,341	5,755
National Health Insurance Schemes(NHIF)	155,023	98,289
National Social Security Fund (NSSF)	1,253,848	1,173,506
Outfit Allowance	10,200	6,833
Parastatal Pension Fund (PPF)	89,688	222,844
Public Service Pension Fund (PSPF)	47,779	47,393
Responsibility Allowance	6,608,348	2,569,432
Special Allowance - Burial Expenses	130,210	0
Subsistence Allowance	323,312	211,891
Telephone	18,869	27,378
Uniform Allowance	12,160	0
Workers Compensation Fund (WCF)	61,734	60,830
	44,030,950	44,415,502
10. - Supplies and consumables used		
Air Travel Tickets - Domestic	332,132	336,838
Air Travel Tickets - Foreign	71,038	119,179
Air Travel Tickets - Training - Domestic	17,791	35,154
Air Travel Tickets - Training - Foreign	21,604	0
Books, Reference and Periodicals	0	28,570
Catering Services	0	12,030
Cleaning Supplies	148,610	170,017
Communication - Advertising and Publication	665,599	796,845
Communication - Courier Services	98,125	68,212
Communication - Internet and Email Connections	1,893,464	860,781
Communication - Mobile Charges	97,621	95,335

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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2018

	2017/2018	2016/2017
	TZS '000	TZS '000
Communication - Network Services	3,125	0
Communication - Posts and Telegraphs	27,006	24,449
Communication - Publicity	300	0
Communication - Satellite access services	250	0
Communication - Subscription and Annual Fees	143,970	182,331
Communication - Technical Service Fees	204,794	750
Communication - Telephone Charges (Land Lines)	153,675	109,582
Communication - Telephone Equipment (Mobile)	1,639	0
Communication - Transcriptions Services	0	1,501
Computer Supplies and Accessories	773,189	935,452
Conference Facilities	53,581	31,655
Contract based training services	21,900	92
Diesel	6,496,803	5,799,455
Electricity charges	1,253,051	1,254,096
Entertainment	23,922	58,758
Exhibition, Festivals and Celebrations	1,234,806	212,642
Food and Refreshments	490,673	197,362
Fumigation	22,585	4,212
Geological Surveys	2,500	0
Gifts and Prizes	483,410	14,637
Ground Transport (bus, train, water)-Training - Domestic	2,620	5,420
Ground travel (bus, railway taxi, etc) - Domestic	107,340	369,156
Land Rent, Local rates, Levies and Licenses	23,433	1,850
Lubricants	63,896	88,469
Maintenance - Heavy Equipment	1,015	0
Maintenance Computer Software	66	0
Mapping Surveys	48,625	853,373
Material Lab Consumables	48,208	81,618
Materials Testing Services	29,310	0
Motor Oil	12,199	214,670
Newspapers and Magazines	59,865	67,507
Office Consumables	1,838,778	1,024,283
Outsourcing Costs	524,452	2,135,356
Per Diem - Domestic	12,520,170	26,645,167
Per Diem - Foreign	439,636	163,216
Petrol	21,970	116,312
Printing and Photocopy papers	354,584	357,564
Printing and Photocopying Costs	129,912	187,370
Remuneration of Instructors - Training - Domestic	6,500	8,610
Rent - Office Accommodation	2,158,035	1,818,969

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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2018

	2017/2018 TZS '000	2016/2017 TZS '000
Rent of Vehicles and Crafts	511,408	298,057
Research and Dissertation - Training - Domestic	19,950	34,800
Research and Dissertation - Training - Foreign	39,359	122,257
Sewage Charges	227,987	121,508
Software License Fees	81,795	31,008
Technical Materials	100	0
Training	0	700
Training Allowances - Domestic	12,440	6,000
Training Materials - Domestic	8,410	11,745
Tuition Fees - Training - Domestic	392,475	149,481
Tuition Fees - Training - Foreign	19,240	9,844
Uniforms	10,380	0
Upkeep Allowances - Training - Foreign	35,369	0
Visa Application Fees - Foreign	525	0
Water Charges	142,010	158,237
Water Transport - Domestic	0	8,513
	34,629,224	46,440,995
11. - Routine repair and maintenance expenses		
Carwash & Parking Expenses	72,064	74,926
Cement, Bricks and Building Materials	9,150	0
Direct labour - Maintenance of Machinery, Equipment & Plant	1,270	0
Direct Labour (contracted or casual hire) - Maintenance of Buildings	360	0
Electrical and Other Cabling Materials	15	0
Government Workshops	1,740	0
Maintenance - Furniture & Fittings	30,417	12,323
Maintenance - Plumbing Supplies and Fixtures	5,050	0
Maintenance - TV sets and Radios	69	0
Maintenance -Fax machines and other office equip	23,920	27,548
Maintenance -Motor Vehicles and Water Craft	4,538,401	3,854,845
Maintenance -Photocopiers	110,520	125,125
Maintenance -Photographic and survey equipment	3,966	0
Maintenance -Precision tools, weights and measures instruments	622,470	592,198
Maintenance -Telephones and Office PABX systems	151	3,539
Maintenance-Computers, printers, scanners,	160,761	207,228
Maintenance - Air Conditioners	32,536	51,773
Maintenance - Airports	810,554	0
Maintenance - Bridges	35,766,302	32,520,179
Maintenance - Electrical cabling and equipment (traffic lights)	8,736	0
Maintenance - Regional Roads	322,991,874	331,928,249
Maintenance - Trunk Roads	162,148,165	138,706,906

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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2018

	2017/2018	2016/2017
	TZS '000	TZS '000
Maintenance - Weighbridges	244,001	81,431
Maintenance of Buildings	578,603	752,848
Maintenance of Machinery, Equipment & Plant	58,564	229,039
Maintenance of Office Equipment & Appliances	299,951	90,075
Mechanical, electrical, and electronic spare parts	354,751	247,136
Metal barriers	0	970
Small tools and equipment	0	29,600
Small tools and implements	190	0
Spare Parts	397,961	523,955
Tyres and Batteries	476,923	731,883
Wood and Timber Supplies	114	0
	529,749,549	510,791,776
12. - Operating expenses		
Bank Charges and Commissions	165,759	213,302
Board Member Advisory Fees	41,000	0
Burial expenses	132,269	67,872
Consultancy Fees	1,783,648	200,100
Legal Fees	50,982	31,996
Litigation Expenses	83,089,893	0
Redundancy Payment	7,500	22,651
Security Services	1,073,470	919,304
Sundry Expenses	238,458	571,818
Surveys	403,894	980,132
Valuation fees	92,282	107,531
	87,079,155	3,114,705
25. - Current Grants, Transfer and Subsidies		
Transfer From Head Office	-633,465,529	-585,475,955
Transfer Road Reserve User Charges	0	5,279,692
Transfer to Regions	633,465,529	585,475,965
Transfer To/From Other Companies/Cost Centres	32,786,210	52,437,854
	32,786,210	57,717,546

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19: INTANGIBLE ASSETS (FIGURES IN TZS '000)

Intangible Assets	Cost / Revaluation 1st July	Additions		Disposal	Balance 30th June	Balance 1st July	Amortisation Charge	Disposal	Balance 30th June	Carrying Value 30th June
		Monetary	Non-Monetary							
2017/2018										
SOFTWARE/INTANGIBLES	3,707,368	50	674,042		4,381,460	699,127	820,454		1,519,581	2,861,879
	<u>3,707,368</u>	<u>50</u>	<u>674,042</u>	<u>-</u>	<u>4,381,410</u>	<u>699,127</u>	<u>820,454</u>	<u>-</u>	<u>1,519,581</u>	<u>2,861,879</u>
2016/2017										
SOFTWARE/INTANGIBLES			3,707,368		3,707,368		699,127		699,127	3,008,242
	<u>-</u>	<u>-</u>	<u>3,707,368</u>	<u>-</u>	<u>3,707,368</u>	<u>-</u>	<u>699,127</u>	<u>-</u>	<u>699,127</u>	<u>3,008,242</u>

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22 PROPERTY, PLANT AND EQUIPMENT '000

	Cost		Additions		Transfers	Revaluation/Disposal	Balance 30 June		Accumulated depreciation and Accumulated Impairment		Carrying value	
	01 July 2017	30 June 2017	01 July 2017	30 June 2017			01 July	30 June 2018	Disposal	Balance 30 June 2018	Depreciation charge	Impairment charge
			Monetary	Non Monetary								
ASPHALT MIX ROADS	6,075,636,639.83	43,443,070.00	-	-	-	-	6,075,636,639.83	-	-	-	-	6,075,636,639.83
CONCRETE BRIDGES	1,710,771,738.00	-	-	-	-	-	1,710,771,738.00	-	-	-	-	1,710,771,738.00
CONCRETE SURFACED ROADS	130,550,000.00	-	-	-	-	-	130,550,000.00	-	-	-	-	130,550,000.00
COMPOSITE BRIDGES	116,078,374.00	4,059,398.72	-	-	-	-	122,776,573.00	-	-	-	-	122,776,573.00
ENGINEERED EARTH ROADS	100,633,433.26	-	-	-	-	-	100,633,433.26	-	-	-	-	100,633,433.26
ENGINEERED GRAVEL ROADS	608,242,930.89	-	-	-	-	-	608,242,930.89	-	-	-	-	608,242,930.89
LAND	1,081,252.14	-	-	-	-	-	1,081,252.14	-	-	-	-	1,081,252.14
FURNITURE AND FITTINGS	1,252,802.42	5,795.50	-	-	-	-	1,258,597.92	-	-	-	-	1,258,597.92
IT EQUIPMENT	3,337,492.72	525,458.84	-	-	-	-	3,862,951.56	-	-	-	-	3,862,951.56
MOTOR VEHICLE	10,613,035.48	1,610,985.20	-	-	-	-	12,224,020.68	-	-	-	-	12,224,020.68
OFFICE BUILDINGS	3,099,392.72	-	-	-	-	-	3,099,392.72	-	-	-	-	3,099,392.72
OFFICE EQUIPMENT	5,437,775.01	28,892.17	-	-	-	-	5,466,667.18	-	-	-	-	5,466,667.18
PLANT AND MACHINERY	12,828,579.50	161,824.00	-	-	-	-	13,000,403.50	-	-	-	-	13,000,403.50
STEEL BRIDGES	87,141,773.00	-	-	-	-	-	87,141,773.00	-	-	-	-	87,141,773.00
SURFACE TREATMENT ROADS	9,073,391,149.03	39,612,445.00	-	-	-	-	9,113,003,594.03	-	-	-	-	9,113,003,594.03
TIMBER BRIDGES	30,100.00	-	-	-	-	-	30,100.00	-	-	-	-	30,100.00
Work in Progress (W.I.P)	1,189,069,243.89	1,382,709,868.76	(307,910,946.07)	-	-	-	2,153,868,066.58	-	-	-	-	2,153,868,066.58
Total June 2018	19,828,897,820.00	1,450,637,807.66	7,539,981.02	(307,910,946.07)	-	(106,092.77)	20,069,055,666.04	18,828,288.00	5,110,125.80	-	(106,092.77)	20,069,055,666.04
2016/2017												
ASPHALT MIX ROADS	6,075,636,639.83	-	-	-	-	-	6,075,636,639.83	-	-	-	-	6,075,636,639.83
CONCRETE BRIDGES	1,710,771,738.00	-	-	-	-	-	1,710,771,738.00	-	-	-	-	1,710,771,738.00
CONCRETE SURFACED ROADS	130,550,000.00	-	-	-	-	-	130,550,000.00	-	-	-	-	130,550,000.00
COMPOSITE BRIDGES	116,078,374.00	-	-	-	-	-	116,078,374.00	-	-	-	-	116,078,374.00
ENGINEERED EARTH ROADS	100,633,433.26	-	-	-	-	-	100,633,433.26	-	-	-	-	100,633,433.26
ENGINEERED GRAVEL ROADS	608,242,930.89	-	-	-	-	-	608,242,930.89	-	-	-	-	608,242,930.89
LAND	1,074,122.14	7,130.00	-	-	-	-	1,081,252.14	-	-	-	-	1,081,252.14
FURNITURE AND FITTINGS	1,617,278.00	35,478.00	-	-	-	-	1,652,756.00	-	-	-	-	1,652,756.00
IT EQUIPMENT	3,694,250.00	556,767.00	-	-	-	-	4,251,017.00	-	-	-	-	4,251,017.00
MOTOR VEHICLE	12,895,034.00	4,469,013.61	-	-	-	-	17,364,047.61	-	-	-	-	17,364,047.61
OFFICE BUILDINGS	1,308,123.00	1,325,282.96	-	-	-	-	2,633,405.96	-	-	-	-	2,633,405.96
OFFICE EQUIPMENT	6,472,747.00	264,054.61	-	-	-	-	6,736,801.61	-	-	-	-	6,736,801.61
PLANT AND MACHINERY	13,710,067.00	22,012.50	-	-	-	-	13,732,079.50	-	-	-	-	13,732,079.50
STEEL BRIDGES	87,141,773.00	-	-	-	-	-	87,141,773.00	-	-	-	-	87,141,773.00
SURFACE TREATMENT ROADS	9,073,391,149.03	39,612,445.00	-	-	-	-	9,113,003,594.03	-	-	-	-	9,113,003,594.03
TIMBER BRIDGES	30,100.00	-	-	-	-	-	30,100.00	-	-	-	-	30,100.00
Work in Progress (W.I.P)	610,229,023.68	572,340,220.22	(307,910,946.07)	-	-	-	1,154,658,297.83	-	-	-	-	1,154,658,297.83
Total June 2017	41,172,121.14	768,739,850.71	19,006,060,725.53	-	-	(16,110,877.38)	19,828,397,850.00	31,001,974.00	5,110,125.80	-	(106,092.77)	19,828,397,850.00

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23. D - Funds For the Year Ended 2018

During the FY 2018/2019 TZS 316,198,567,121.77 was accounted for under donor funded projects and was issued with dummy exchequer from Treasury. The total funds received and paid from donors (ADB, WB (IDA), EU, and JICA) for FY 2017/18 were in respect of the projects listed below:

CODE	PROJECT DESCRIPTION	PROJECT TITLE	TOTAL PROJECT TZS
4115	ARUSHA - HOLILI (CONSULTANT)	AHRP	779,119,574.98
4115	ARUSHA - HOLILI (CONTRACTOR)	AHRP	22,200,973,600.35
4147	MIKUMI – KIDATU – IFAKARA (CONTRACTOR)	EU	19,063,312,300.30
4147	KIDATU - IFAKARA - LUPINGO MALINYI LONDO LUMECHA (CONSULTANT)	RSSP II	845,816,298.42
4148	TABORA - KOGA – MPANDA (CONSULTANT)	TSSP - ADB	59,343,725,088.19
4148	TABORA - KOGA - MPANDA (CONSULTANT)	TSSP - ADB	1,508,030,116.94
4148	KASINDE – MPANDA (CONSULTANT)	TSSP - ADB	693,182,794.87
4161	TAZARA FLYOVER (CONTRACTOR)	TAZARA FLYOVER	8,756,662,779.49
4161	TAZARA FLYOVER (CONSULTANT)	TAZARA FLYOVER	417,270,055.60
4186	MAFINGA - IGAWA (CONTRACTOR) IDA	SATTFP	95,658,245,315.62
4186	MAFINGA - IGAWA (CONSULTANT) IDA	SATTFP	3,795,590,398.23
4195	FUFU - DODOMA (CONSULTANT)	RSSP I	8,868,010,000.00
4196	DAREDA - MINJINGU (CONTRACTOR)	SBBMRP	3,844,141,104.25
4196	MELA - BONGA (CONSULTANT)	RSSP II	703,445,697.01
4196	MELA - BONGA (CONTRACTOR)	RSSP II	23,828,560,951.40
4196	MAYAMAYA - MELA (CONSULTANT)	RSSP II	1,972,498,506.96
4196	MAYAMAYA - MELA (CONTRACTOR)	RSSP II	14,523,905,755.94
4197	NAMTUMBO - KILIMASERA (CONTRACTOR)	RSSP I	5,229,911,248.98
4197	NAMTUMBO – KILIMASERA (CONSULTANT)	RSSP I	77,120,041.13
4197	KILIMASERA – MATEMANGA	RSSP I	7,404,139,570.00

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CODE	PROJECT DESCRIPTION	PROJECT TITLE	TOTAL PROJECT TZS
	(CONTRACTOR)		
4197	KILIMASERA - MATEMENGA (CONSULTANT)	RSSP I	20,503,187.71
4197	MATEMENGA - TUNDURU (CONTRACTOR)	RSSP I	2,396,569,767.40
4197	MATEMENGA - TUNDURU (CONSULTANT)	RSSP I	705,850,482.28
4197	NAKAPANYA - TUNDURU (CONTRACTOR)	RSSP II	6,790,008,624.92
4197	NAKAPANYA - TUNDURU (CONSULTANT)	RSSP II	424,256,287.82
4197	MANGAKA - NAKAPANYA (CONTRACTOR)	RSSP II	7,334,711,105.36
4197	MANGAKA - NAKAPANYA (CONSULTANT)	RSSP II	519,733,027.35
4197	MANGAKA - MTAMBASWALA (CONSULTANT)	RSSP II	645,928,069.20
4197	MANGAKA - MTAMBASWALA (CONTRACTOR)	RSSP II	17,087,190,545.37
4197	MBINGA – MBABABAY (CONSULTANT)	TSSP - ADB	153,968,075.74
4224	MSALATO AIRPORT (CONSULTANT)	TSSP - ADB	806,176,749.96
Total			316,198,557,121.77

24. Capital Management

The Agency's capital is its equity (or taxpayers' funds), which comprises accumulated surplus/deficit and other reserves. The Agency's Equity is represented by net assets.

The objective of managing these items is to achieve sustainable equity, which is a principle promoted in the Act and applied by the Agency. The Agency has in place asset management plans for major classes of assets which narrate renewal and maintenance programs.

25. Disclosure of restated Comparable Figures Related to Adjustment Done in Previous Financial year 2016/17

NO.	Item	Original Amount 30 th June 2017 (TZS) - A	Restated Amount (TZS) - B	Difference (TZS) (B-A)	Reason for Restatement
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NO.	Item	Original Amount 30 th June 2017 (TZS) - A	Restated Amount (TZS) - B	Difference (TZS) (B-A)	Reason for Restatement
1	Revenue	582,050,559.00	1,053,402,835.00	471,352,276.00	Adjustment as per circular No. 2 of 2018/19 on Accounting Treatment of Taxpayers' Fund, Revenue and Capital Expenditure and Road Reserve User Charges which is not Revenue is adjusted to Payables.
2	Expenses	564,018,205.00	546,792,050.00	17,226,155.00	Adjustment as per circular No. 2 of 2018/19 on Accounting Treatment of Taxpayers' Fund, Revenue and Capital Expenditure and Compensation of properties have been capitalized instead of been Expensed
3	Surplus for the Year	28,032,354.00	516,610,785.00	488,578,431.00	Adjustment as per circular No. 2 of 2018/19 on Accounting Treatment of Taxpayers' Fund, Revenue and Capital Expenditure
4	Total Asset	19,823,973,474.00	19,879,888,344.00	55,914,870.00	Adjustment as per circular No. 2 of 2018/19 on Accounting Treatment of Taxpayers' Fund, Revenue and Capital Expenditure
5	Differed Capital Grants	532,100,854.00	43,705,973.00	-488,394,681.00	Adjustment as per circular No. 2 of 2018/19 on Accounting Treatment of Taxpayers' Fund, Revenue and Capital Expenditure
6	Capital Taxpayer Fund	18,576,586,181.00	18,610,739,521.00	34,153,340.00	Adjustment as per circular No. 2 of 2018/19 on Accounting Treatment of Taxpayers' Fund, Revenue and Capital Expenditure, additional capital assets
7	Accumulated Surplus for the year	281,707,100.00	516,610,785.00	-234,903,685.00	Adjustment as per circular No. 2 of 2018/19 on Accounting Treatment of Taxpayers' Fund, Revenue and Capital Expenditure

26. Analysis of Variance on Consolidated Budget against Actual for the Year ended 30th June 2018.

(i) Revenue Budget

During the Financial year 2017/2018, TANROADS received 88.50% of revenue budget, 11.50% of Roads Fund maintenance budget was not received by the end of the period.

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(ii) Expenditure Budget

During the Financial year 2017/2018, TANROADS spent 88.79% of its approved budget. Hence, a variance of 11.21% which was attributed to:-

- Payments related to outstanding debts to contractors and consultants for consolidated budget, due to the government initiative to settle previous year's outstanding debts from contractors and consultants.
- Unpaid works under Roads Fund maintenance budget which was 12.12%
- Unpaid amount from wages, salaries and employee benefit which was 25.09%

27. Age Analysis

Payables

	<u>2018</u>	<u>2017</u>
Age	TZS '000'	TZS '000'
1-30days	107,605,927	123,122,817
31-60 days	74,082,169	100,271,421
61-90 days	55,264,222	48,612,150
91-365 Days	347,183,434	399,587,877
Above 1 year	284,499,775	327,713,906
Total	868,635,527	999,308,171

Receivables

	<u>2018</u>	<u>2017</u>
Age	TZS '000'	TZS '000'
1-30days	1,561,144	4,346,433
31-60 days	10,500	12,613,969
61-90 days	24,422,814	46,875,990
91-365 Days	108,842,841	65,794,609
Above 1 year	37,094,652	33,388,685
Total	171,931,951	163,019,686

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28 Other Appropriations.

2017

S/n	Region/Company	TOTAL DEBITS	TOTAL CREDITS	INCOME SUMMARY DR	INCOME SUMMARY CR	DIFFERENCE
1	HQ	3,316,159,629,082.36	6,428,964,495,550.93	932,320,032,283.62	531,509,445,776.52	(-2,712,143,395,127.87)
2	Arusha	819,751,554,726.93	832,748,757,319.89	14,999,490,308.40	1,691,551,240.00	310,736,475.44
3	Coast	1,052,197,009,343.46	1,060,347,416,122.13	20,889,668,390.30	10,924,799,373.00	1,814,462,238.63
4	Dodoma	922,428,097,203.55	924,988,924,254.46	3,640,895,915.50	1,787,313,081.00	(707,144,216.41)
5	Dares Salaam	1,086,077,028,022.89	1,104,287,690,846.28	89,239,537,062.90	72,633,197,300.00	(1,604,323,060.49)
6	Gella	620,583,230,021.83	635,029,623,141.80	42,482,731,503.12	27,872,768,211.42	163,570,171.73
7	Donor					
8	Iringa	809,004,611,301.18	810,496,044,569.69	3,747,914,233.00	4,535,365,271.30	(2,278,894,306.81)
9	Kigoma	417,148,612,421.46	421,100,564,794.40	8,031,208,739.30	4,044,963,335.00	34,263,031.36
10	Kagera	1,063,487,673,528.32	1,067,832,501,606.05	4,544,354,595.00	-	199,526,517.27
11	Kilimanjaro	809,627,455,338.52	808,857,028,000.87	11,279,593,483.00	5,766,342,341.00	5,283,678,479.65
12	Katavi	213,478,960,806.50	218,062,432,098.66	8,387,976,439.70	4,006,709,772.00	(224,204,624.46)
13	Lindi	1,501,897,497,523.68	1,509,378,047,456.05	1,947,423,089.80	1,025,004,249.00	(6,758,131,091.57)
14	Mbeya	1,136,516,650,296.17	1,137,979,080,841.29	408,041,502.70	213,559,906.00	(2,267,948,948.42)
15	Morogoro	2,195,617,618,357.82	2,200,773,932,991.47	5,505,617,006.02	2,839,882,946.12	(2,490,580,573.75)
16	Mara	471,711,612,922.67	477,245,683,400.20	12,864,779,474.20	6,446,667,985.00	884,041,011.67
17	Mtwara	593,571,756,007.29	594,619,749,926.11	7,269,118,567.20	3,459,446,657.00	2,761,677,991.38
18	Manyara	466,226,318,523.94	467,246,013,745.66	2,825,709,039.70	1,451,501,999.00	354,511,818.98
19	Mwanza	548,570,391,951.91	556,189,728,562.87	13,489,174,181.30	6,805,995,596.00	(936,158,025.66)
20	Njombe	387,063,247,864.43	389,881,733,422.59	8,720,342,632.70	4,408,962,717.00	1,492,894,357.54
21	Rukwa	1,381,772,244,069.32	1,382,860,560,753.96	2,514,718,828.80	1,277,361,783.00	149,040,361.16

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S/n	Region/Company	TOTAL DEBITS	TOTAL CREDITS	INCOME SUMMARY DR	INCOME SUMMARY CR	DIFFERENCE
22	Ruvuma	796,675,596,328.65	805,162,729,795.54	9,076,540,497.40	4,208,359,461.00	(3,618,952,430.49)
23	Shinyanga	543,516,555,552.44	543,425,940,205.79	501,725,640.00	224,485,904.00	367,855,082.65
24	Simiyu	276,265,488,018.46	277,098,004,899.51	4,628,619,985.20	2,017,663,154.00	1,778,439,950.15
25	Singida	911,348,673,322.94	913,379,318,078.84	6,459,450,809.50	7,949,990,543.00	(3,521,184,489.40)
26	Tanga	1,010,517,485,825.57	1,013,724,585,043.80	6,595,207,172.00	3,354,537,063.00	33,570,890.77
27	Tabora	801,362,475,574.44	804,867,106,887.75	4,213,799,550.00	-	709,166,236.69
28	CML	2,137,003,896.17	1,914,345,967.11	1,440,339,248.20	955,349,784.00	707,647,393.26
29	Songwe	-	-	-	-	-
	TOTAL	24,152,514,477,832.90	27,388,471,940,283.70	1,228,024,010,178.56	711,413,225,448.36	(2,719,505,792,887.00)

2018

S/n	Region/Company	TOTAL DEBITS	TOTAL CREDITS	INCOME SUMMARY DR	INCOME SUMMARY CR	DIFFERENCE
1	HQ	2,939,310,470,945.10	3,785,661,054,847.22	3,650,726,643,299.48	2,526,701,760,804.42	277,836,421,304.14
2	Arusha	10,332,407,049.61	10,687,463,271.66	3,664,065,970.78	5,034,743,956.18	(1,725,734,207.45)
3	Coast	27,219,554,205.86	60,660,334,648.81	2,240,224,710.89	8,973,651,985.78	(40,174,207,717.84)
4	Dodoma	32,243,963,700.80	33,722,403,938.06	1,910,632,666.16	1,011,961,288.16	(579,768,859.26)
5	Dar es Salaam	8,282,785,351.46	19,508,107,866.33	19,733,819,572.97	225,711,706.97	8,282,785,351.13
6	Geita	4,845,200,298.34	11,388,156,163.43	11,248,221,418.76	69,074,139.22	4,636,191,414.45
7	Donor	-	-	-	-	-
8	Iringa	560,059,856.85	745,800,067.62	683,906,080.29	649,274,912.29	(151,109,042.77)
9	Kigoma	418,180,981,801.95	413,812,485,935.60	6,238,252.75	2,091,821,673.37	2,282,912,445.73
10	Kagera	2,917,745,422.59	178,591,580.50	101,274,762.52	229,396,072.91	2,611,032,531.70
11	Kilimanjaro	3,150,858,349.71	7,388,685,967.50	7,513,444,247.81	206,780,952.81	3,068,835,777.21
12	Katavi	2,423,858,857.64	482,027,500.00	619,855,292.21	449,196,693.21	2,112,489,956.64

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S/n	Region/Company	TOTAL DEBITS	TOTAL CREDITS	INCOME SUMMARY DR	INCOME SUMMARY CR	DIFFERENCE
13	Lindi	6,335,112,178.64	8,481,331,480.11	6,014,283,747.34	182,470,309.34	3,685,594,136.53
14	Mbeya	60,979,864,973.77	57,037,257,878.82	195,679,021.31	706,429,972.31	3,431,856,143.95
15	Morogoro	3,296,800,461,639.36	3,298,430,303,224.30	1,102,886,439.49	1,250,691,882.45	(1,777,647,027.90)
16	Mara	7,935,383,965.73	2,095,367,310.66	273,826,549.41	3,513,341,645.72	2,600,501,558.76
17	Mtwara	7,607,578,892.63	7,751,207,613.33	319,187,918.15	380,524,903.15	(204,965,705.70)
18	Manyara	2,632,361,700.71	40,907,758,564.50	1,368,407,718.71	227,852,710.71	(37,134,841,855.79)
19	Mwanza	11,801,782,482.11	18,303,570,258.18	6,698,860,686.51	179,253,951.51	17,818,958.93
20	Njombe	5,936,217,802.12	4,200,958,001.50	3,102,958,869.00	104,786,418.00	4,738,432,251.62
21	Rukwa	5,043,278,257.87	6,948,505,378.83	4,168,096,172.25	96,726,745.25	2,166,142,306.04
22	Ruvuma	10,308,360,965.71	936,194,844.58	270,021,952.62	5,884,023,357.52	3,758,164,726.23
23	Shinyanga	5,288,478,767.64	3,785,546,271.18	1,016,168,834.54	667,841,433.06	1,851,259,897.94
24	Simiyu	3,843,362,060.40	3,275,388,457.43	334,992,286.11	604,827,750.40	298,358,138.68
25	Singida	6,314,677,825.10	6,694,617,525.42	6,765,372,628.37	3,401,201,175.17	2,984,231,752.88
26	Tanga	4,994,069,575.18	5,106,158,118.79	2,643,507,100.55	151,236,332.55	2,380,182,224.39
27	Tabora	806,951,084,054.06	805,223,885,867.27	488,624,340.88	871,322,388.88	1,344,500,138.79
28	CML	1,102,427,338.47	340,952,179.30	479,942,457.19	1,074,838,704.19	166,578,912.17
29	Songwe		1,179,616,535.01	1,197,049,956.36	17,433,421.37	(0.00)
	TOTAL	7,693,342,388,319.41	8,614,933,711,295.94	3,734,888,192,963.43	2,565,120,099,498.10	248,338,893,000.00

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APPENDIX 1: The contingent assets as at 30th June 2018

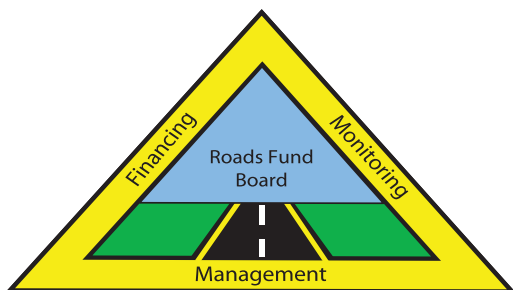
S/N	Case No.	Parts Involved	Description	Amount involved TZS	Nature of Provision	Legal Comment	Status of the Case		Complete/Ongoing
							Probability of TANROADS winning (%)	Probability of TANROADS Losing (%)	
1	Civil Case No. 179 of 2013, High Court of Tanzania at Dar es Salaam District Registry	Usangu General Traders (T) LTD Vs TANROADS and AG	The Plaintiff filed a suit claim against the 1st Defendant in the High Court, Dar es Salaam in which it sought for the Court declaration that the 1st Defendant is in unlawful possession of crane with Reg. No. T315 AAC, payment of special damages of Tshs 808,000,000.00 as a result of the Defendant's illegal possession of crane without reasonable cause.	90,000,000.00	Asset	In a ruling dated June 2017, the Plaintiff lost the case hinged on claim Tshs. 808,000,000.00 and TANROADS won Tshs. 90,000,000.00	100%	0%	Completed
2	In the High Court of Tanzania (Commercial Division) at Dar es Salaam Commercial Case No.	African Banking Corporation Tanzania Limited (BANCABC) Versus Tanzania National	Plaintiff instituted a suit in the High Court, Commercial division against the Defendant for declaratory order that, the intended unilateral sale by way of public auction of motor vehicles,	20,995,482,071.13	Asset	The claimed amount in the suit is USD 9,217,803.00 Equivalent to Tshs 20.8 Billion. Amount recovered through public auction is	100%	0%	Completed

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S/N	Case No.	Parts Involved	Description	Amount Involved TZS	Nature of Provision	Status of the Case			
						Legal Comment	Probability of TANROADS winning (%)	Probability of TANROADS Losing (%)	Complete/Ongoing
	125 of 2016	Roads Agency (TANROADS).	plants, Generators, Material testing equipment and assorted materials to be null and void, declaration that Plaintiff is entitled to proceeds of the intended auction of the above equipment left by contractor M/s Progressive Construction Limited on sited following termination of contract. The case was struck out from the record of the court on 17th August 2017 for being incompetent based on the preliminary objections raised by TANROADS			Tshs 3 Billion			

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S/N	Case No.	Parts involved	Description	Amount involved TZS	Nature of Provision	Status of the Case			
						Legal Comment	Probability of TANROADS winning (%)	Probability of TANROADS Losing (%)	Completed/Ongoing
3	Taxation Cause Misc. Commercial Application No.238 of 2016 arising from Commercial Case NO.125 of 2016	BANCABC VS TANROADS	The Judgment debtor having filed a main case challenging the decree holder's act of auctioning equipment, plants and motor vehicle aforementioned in case 72 also prayed for an order restraining the Decree Holder from auctioning them	10,750,000.00	Asset	The Judgment Holder's application for temporary injunction was dismissed with costs by the court. The Decree Holder filed a Bill of Costs amounting to Tshs 10,750,000	100%	0%	Completed
TOTAL				21,096,232,071.13					



ROADS FUND BOARD

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