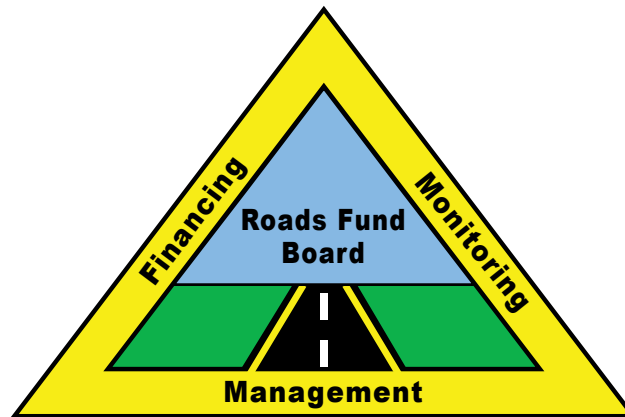

UNITED REPUBLIC OF TANZANIA

ROADS FUND BOARD



ANNUAL REPORT

FOR THE YEAR ENDED 30th JUNE 2019

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For any inquiry please contact:

Roads Fund Manager,

Roads Fund, Njedengwa Investment Area, Block D, Plot No. 3,

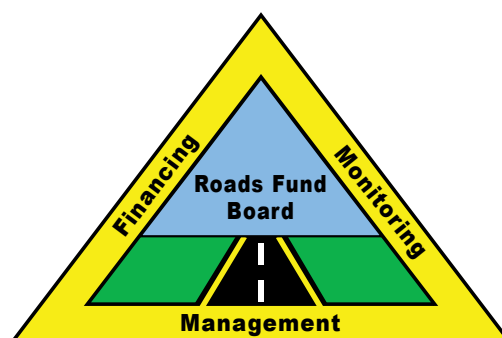
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This report is also available at: <https://www.roadsfund.go.tz>

ROADS FUND BOARD



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Roads Fund Board Building,
Njedengwa Investment Area,
Block D, Plot No. 3.

P.O. Box 993

DODOMA.

September, 2020

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

Honourable Minister,

RE: LETTER OF TRANSMITTAL

- (i) In accordance with Section 5 (6) and (7) of the Road and Fuel Tolls Act Chapter 220, as amended, I hereby submit the FY 2018/19 Annual Report based on:
- (ii) Activities of the Roads Fund Board;
- (iii) Activities of the Road Agencies; and

Copies of the audited statements of accounts and copies of reports made on them by the Controller and Auditor General.

Yours Sincerely,

Joseph O. Haule

Chairman - Roads Fund Board

CORPORATE INFORMATION

1.1.1.1 Registered Office



3rd and 4th Floor, Roads Fund Building
 Block D, Plot No. 3, Njedengwa Investment Area,
 P.O. Box: 993, Dodoma.
 Tel: +255 26 2963277/8
 Fax: +255 26 2963279/80
 E-mail: info@roadsfund.go.tz
 URL: www.roadsfund.go.tz

Size of the Fund as of 30th June 2019

TZS 106.4 Billion

Number of Board Members

Nine Members

Vision

Excellence in Roads Fund Management for a well maintained public road network.

Mission

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

Core values

- ✓ Integrity
- ✓ Transparency
- ✓ Teamwork
- ✓ Competence
- ✓ Innovation
- ✓ Professionalism

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ACRONYMS AND ABBREVIATIONS

ADB	African Development Bank
AGPAR	Association of African Road Managers and Partners
ARMFA	African Road Maintenance Funds Association
ATTI	Appropriate Technology Training Institute
BMS	Bridge Management System
BoD	Board of Directors
BoQ	Bill of Quantity
BRT	Bus Rapid Transit
CC	City Council
CCTV	Closed Circuit Television
CE	Council Engineer
CRB	Contractors Registration Board
CSD	Civil Service Department
DANIDA	Danish International Development Agency
DC	District Council
DED	District Executive Director
DFID	Department for International Development
DRDP	District Road Development Programme
DROMAS	District Roads Management System
GDP	Gross Domestic Product
EAC	East African Community
ERB	Engineers Registration Board
EU	European Union
EWURA	Energy and Water Regulatory Authority
FA	Force Account
FY	Financial Year
GOT	Government of Tanzania
HPL	Head of Planning
HQ	Head quarters
IDA	International Development Association
JICA	Japan International Cooperation Agency
KOJ	Kurasini Oil Jet
LAN	Local Area Network
LBT	Labor-Based Technology
LGA	Local Government Authority
LG-RICS	Local Government Road Inventory and Condition Survey
MAB	Ministerial Advisory Board
MC	Municipal Council
MOFP	Ministry of Finance and Planning
MoWTC	Ministry of Works, Transport and Communication
MTI	Morogoro Training Institute
NAO	National Audit Office
NBS	National Bureau of Statistics
NCC	National Construction Council
NCG	Nordic Consulting Group
NCU	National Coordination Unit
NEMC	National Environmental Management Council

NGO	Non-Government Organizations
NORAD	Norwegian Agency Development for Cooperation
NPRA	Norwegian Public Roads Administration
NRTP	National Rural Roads Transport Programme
PAC	Parliament Public Accounts Committee
PIARC	World Road Association
PMMR	Performance-based Management and Maintenance of Roads
POPSM	President's Office - Public Service Management
PORALG	President's Office Regional Administration and Local Government
POS	Point of Sales
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-Sahara African countries
RMMS	Road Maintenance Management System
RMO	Regional Manager's Office
ROMDAS	Road Measurement Data Acquisition System
RRTP	Rural Roads Transport Programme
RS	Regional Secretariat
RSPS	Road Sector Programme Support
RUC	Road User Charge
RUSIRM	Ruvuma and Southern Iringa Road Maintenance Project
SADC	Southern African Development Community
SEAP	Structured Engineers Apprenticeship Programme
LATRA	Land Transport Regulatory Authority
TACECA	Tanzania Civil Engineering Contractors Association
TANROADS	Tanzania National Roads Agency
TARURA	Tanzania Rural and Urban Roads Agency
TASAF	Tanzania Social Action Fund
TATO	Tanzania Association of Tour Operators
TATOA	Tanzania Track Owners Association
TCCIA	Tanzania Chamber of Commerce, Industry and Agriculture
TEP	TANROADS Equipment Pool
TFC	Tanzania Federation of Cooperatives
TPA	Tanzania Ports Authority
TRA	Tanzania Revenue Authority
TC	Town Council
USAID	United States Agency for International Development
USD	United States of American Dollar
VAT	Value Added Tax
VTTP	Village Travel and Transport Programme
WAN	Wide Area Network
WB	World Bank
WPU	Women Participation Unit

CHAIRMAN'S STATEMENT



Mr. Joseph O. Haule
Chairman of the Board

The Financial Year 2018/19 marked the third of year of implementation of the Roads Fund Board's Five-Year Strategic Plan. 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 as well as the road Implementing Agencies during the year.

Tanzania's economy growth remained high and among the fastest growing economies in sub-Saharan Africa. Real gross domestic product grew by 7.0 percent in 2018 compared with 6.8 percent in 2018¹. The main drivers of the growth were construction, agriculture, and transport, altogether accounting for more than half of the total growth. Transport and construction were among the fastest growing activities in 2018.

The economic performance in the SADC region was robust in 2018 with DRC and Zambia recording GDP growth of 5.8 percent and 3.7 percent respectively compared to 3.7 percent and 3.6 percent growth in 2017. It is worthy to note that cargo for the two countries account for over 97 percent of cargo at Dar es Salaam port. The performance was reflected in increased transit cargo through our roads network and increased collections from transit charges.

¹Bank of Tanzania Annual Report 2018/19

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

To improve funds adequacy, the Board prepared a proposal for review of rates of fuel levy and new sources of revenue for the Board for submission to the Government for consideration. The basis of the proposal was the recommendations from the report of study on new sources of revenue which was completed during the year. The Board continued to strengthen monitoring and supervision of revenue collections at collection centres including weighbridge stations. To improve efficiency and transparency in revenue collections, an on-line payment system was introduced for payment of abnormal load charges.

During the year, the Board contracted consultancy services to study the current revenue allocation formula for national and district roads, with a view to advising the appropriate formula, given the recent developments in the roads sub-sector. The current revenue allocation formula for national and district roads, has been in use since 1996. As part of the review exercise, the Board conducted the road inventory to inform the review process with current roads data; including roads lengths and conditions. The preliminary review results were presented during the year and the final reports with recommendations were planned to be submitted during the first quarter of the financial year 2019/20.

The Board in collaboration with the MoWTC and TANROADS embarked on measures aimed at modernising and upgrading weighbridge stations with a view to controlling and limiting vehicle overloading. This measure aims at minimising pre-mature road deterioration and hence reducing the maintenance costs. With this development, it is now possible to remotely monitor operations at weighbridge stations in real time, through systems established at the MoWTC, TANROADS and Roads Fund Offices. This has led to increased compliance with regards to axle loads limits.

The Board continued to strengthen TARURA's capacities to effectively perform its mandate for management of district roads network. This included financial support to recruit key staff on contract basis, and securing office accommodation for regional coordinators and council managers' offices. More point of sales were procured during the year to improve revenue collection from car parking.

Challenges

Inadequate financing continued to be the main challenge in the FY 2018/19. The amount disbursed to TANROADS and TARURA for maintenance was equivalent to 57.1 percent of their maintenance requirement. This has led to build-up of back-log maintenance and further deterioration of roads network. The Board continued to emphasize and closely monitor maintenance of roads with good and fair conditions in order to preserve their values and conditions. This included ensuring 100 percent budget allocation by Implementing Agencies to finance routine maintenance works for roads with good and fair conditions.

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 rain falls, 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 Board continued to work with the Implementing Agencies to try and find ways to address impacts of climate change on roads networks including improving their preparedness capacities and ensuring funds set aside to finance emergency works are utilized appropriately.

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 from pre-mature maintenance. The Board has continued to improve monitoring and oversight at weighbridge stations by upgrading systems at the stations. With regards to vandalism of road assets, the Board has continued the Agencies to adopt material which are not susceptible to theft such as plastic material for road signs. 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

We appreciate the continued productive cooperation with road users and development partners. Road users are the main contributors for road maintenance financing through payment of levies and charges. The Development Partners namely: DFID, EU and USAID played an important role in financing various road works and strengthening capacities 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 private contractors and consultants 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.

Once again, I owe credit to our stakeholders for helping 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 the 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 further 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.



Mr. Joseph O. Haule

CHAIRMAN

BOARD MEMBERS



Mr. Joseph O. Haule
CHAIRMAN



Arc. Elius Mwakalinga
The Permanent Secretary,
MoWTC



Eng. Joseph M. Nyamhanga
The Permanent Secretary, PORALG



Mr. Doto M. James
The Permanent Secretary,
MoFP



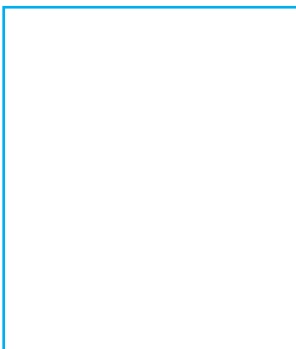
Leopold B. Kabendera
Representing TATO



Eng. Rogatus H. Mativila Director of Roads
- MoWTC



Mr. Octavian Mshiu
Representing TCCIA



Representing TATO



Ms. Agnes Namuhisa
Representative TFC



Mr. Eliud T. Nyauhenga
Secretary

ROADS FUND MANAGER'S STATEMENT

Intro
duction



Mr. Eliud T. Nyauhenga

Roads Fund Manager

I am pleased to have this opportunity to present a statement on the operations of the Roads Fund Board in relation to the Fund for the Financial Year 2018/19. During the year, the Board carried out its activities in accordance with the approved business plan and budget.

Strategic
actions

The Financial Year 2018/19 Annual Operational Plan was prepared in line with the RFB Strategic Plan. The Management continued to implement the strategic activities as planned to ensure attainment of strategic objectives and targets. 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 funds.

The total budget approved by the Board for the FY 2018/19 was TZS 959.67 billion. The expected financing of the budget were Roads Fund sources. A total of TZS 908.80 billion was planned to be collected as appropriated revenue (fuel levy and transit charges); TZS 37.60 billion from Development Partners; and the remaining TZS 13.26 billion from miscellaneous sources, such as overloading fees, abnormal road permits, road reserve user charges and interest income.

By the end of the FY 2018/19, TZS 784.84 billion was collected as appropriated revenue and from miscellaneous sources. The amount was equivalent to 86.4% of the approved revenue from the sources and equivalent to 2.6 % decrease compared to the collection in the FY 2017/18. Fuel levy continued to be the dominant source of revenue during the year – accounting for more than 96% of the total revenue for the Fund.

The total appropriated revenue collection during the year was TZS 769.92 billion – equivalent to 84.7% of the estimated collection of TZS 908.80 billion. Miscellaneous collection was TZS 14.91 billion – equivalent to 112.6% of approved collection from miscellaneous sources. The total disbursements from the Development Partners in the FY 2018/19 were TZS 9.49 billion. This amount was disbursed to the Implementing Agencies for development projects.

The percentage of disbursement over annual budget for the FY 2018/19 declined slightly to 84% from 85.3% in the FY 2017/18. On the other hand, the percentage of collection to annual budget decreased to 86.4% compared to 89.9% in the FY 2017/18.

Budget allocation to finance maintenance needs in the FY 2018/19 was enough to cover 57.3% of requirements compared to 44.8% in the FY 2017/18. The increase in coverage of total maintenance needs is mainly due to 16.4% decrease of total maintenance from TZS 1,898.3 billion in the FY 2017/18 to TZS 1,586.00 billion in the FY 2018/19.

The Routine maintenance needs continued to exceed the budget allocation in the FY 2018/19. The needs increased by 20.7% to TZS 264.4 billion in the FY 2018/19 from TZS 209.7 billion in the FY 2017/18. However, the budget allocation increased by 14.7% to TZS 211.2 billion in the financial year 2018/19 from TZS 180.1 billion in the FY 2017/18.

The budget allocation in the FY 2018/19 was equivalent to 79.9% of the maintenance requirements during the year, slightly lower than 85.9% recorded in the FY 2017/18. The decrease is partly due to disproportionate increase in needs for roads maintenance compared to increase in collections during the year.

Performance on financing of periodic maintenance continued to be erratic and the budget allocation continued to be below periodic maintenance requirements. During the year, the coverage was 43% compared to 46% recorded in the FY 2017/18. The decline in coverage reflects the continued increase in maintenance needs relative to revenue collections.

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, preventive technical audits and financial audit as well as regular monitoring.

During the reporting period, four monitoring visits were conducted in twelve 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 the collected amounts. The monitoring involved review of monthly collections reports from collecting agencies, and visiting collecting points.

During the reporting period, a statutory audit function was carried out by Controller and Auditor General in line with the provisions of the law, and the opinion of auditor was rendered upon.

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 commitment 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 Unit

PART ONE: ROADS FUND BOARD MEMBERS' REPORT

1 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, 2019, 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. The Board 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, TARURA and other agencies and advise the roads Minister accordingly;
- (vi) To recommend to the Roads Minister an allocation of funds for TANROADS, TARURA 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, TARURA and other agencies;
- (viii) To ensure that the operations of TANROADS, TARURA, other road agencies and the Fund are technically and financially sound; and
- (ix) To monitor the use of the funds disbursed to TANROADS, TARURA 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 2018/19, the Board of Directors conducted four ordinary Board meetings and two special Board meetings to review policy matters, performance of the RFB Secretariat and Implementing Agencies and other issues related to Road Fund activities. The main issues reviewed, discussed and deliberated during the meetings included:

- (i) Quarterly implementation progress reports;
- (ii) Staff matters;
- (iii) Special requests of funds from road Implementing Agencies;
- (iv) Report of stakeholders meeting held in Mwanza;
- (v) Reports on monitoring visits to TANROADS and TARURA Offices in Dar es Salaam and Dodoma;
- (vi) Progress report on the implementation of Roads Fund Board Strategic Plan;
- (vii) Quarterly Risk Management implementation report; and
- (viii) Financial audit report of Roads Fund Board and Implementing Agencies for the period ended 30th June 2016.

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

Name	Position	Institution	No. of meetings attended (out of 6)
Mr. Joseph O. Haule	Chairman	Retired Civil Servant	6
Eng. Joseph Nyamhanga	Member	Permanent Secretary – PORALG	4
Mr. Doto M. James	Member	Permanent Secretary – MoFP	5
Arch Elius Mwakalinga	Member	Permanent Secretary - MoWTC (Works)	4
Eng.Rogatus H. Mativila	Member	Director of Roads – MoWTC	2
Eng Happiness Mgalula	Member	Director of Roads – MoWTC	2
Eng John Ngowi	Member	Ag. Director of Roads – MoWTC	1
Ms. Agnes S. Namuhisa	Member	TFC	6
Mr. Octavian Mshiu	Member	TCCIA	3
	Member	TATOA	0
Mr. Eliud T. Nyauhenga	Secretary	RFB	6

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 5 meetings) attended by each member is shown below:

Name	Position	Qualification	No. of meetings attended (Out of 5)
Eng. Musa I. Iyombe	Member	Msc	2
Mr. Doto M. James	Member	Msc	5
Eng Happiness Mgalula	Member	Msc	1
Eng John Ngowi	Member	Msc	1
Mr. Leopold Kabendera	Member	Diploma	4
Arc. Elius Mwakalinga	Member	Msc	1
Mr. Octavian Mshiu	Member	Msc	1
Mr. Eliud T. Nyauhenga		MA	5
Eng. Rashid Kalimbaga	Secretary	Msc	5

(i) Audit and Risk Management Committee

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

Name	Position	Qualification	No. of meetings attended (Out of 5)
Mr. Renatus B. Fulgence	Chairman	Advance Diploma	4
Eng. Musa I. Iyombe	Member	Msc	3
Joseph Nyamhanga	Member	Msc	3
Ms. Agnes Namuhisa	Member	MA	5
Arch Elius Mwakalinga	Member	Msc	1
Mr. Eliud T. Nyauhenga		MA	5
Mr. Ayub James	Secretary	CPA (T)	5

(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:

Name	Position	Qualification	No. of meetings attended (Out of 5)
Mr. Leopold B. Kabendera	Chairman	Diploma	5
Arch Elius Mwakalinga	Member	Msc	1
Ms. Agnes S. Namuhisa	Member	MA	5
Mr. Octavian Mshiu	Member	MSC	3
Mr. Eliud T. Nyauhenga	Secretary	MA	5

1.2.4 Roads Fund Board Management

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

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

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 put 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 upon 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 to be 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	Management has in place a sound control system including internal check to ensure that no single transaction is executed by a single person from initiation to authorization 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 disbursements

made to the parent Ministry and remunerations of Directors and key Management personnel during the year ending 30th June 2019 which are shown below:

Description	TZS ['000]
Board expenses	123,875
Directors' fee	43,067
Management remuneration	511,368
Ministry of work, Transport and Communication (Works)	56,368,947
Total	57,047,257

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 utilization by Implementing Agencies.

In addition, the Board provides operational planning guidelines to the Implementing Agencies. To ensure adherence to the operational plans, the Board signs annual performance agreements with the Agencies.

During the FY 2018/19, the Board carried out its activities in accordance with the approved plan and budget. The Board performed preventive and technical audits in 10 regions and conducted 5 in-house monitoring of both fund utilisation and revenue collection.

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. The process is underway to link the system with Road Agencies systems for effective road asset management.

1.4 Financial Performance

The total approved budget by the Board for the FY 2018/19 was TZS 959.67 billion. The budget was expected to be collected from various Roads Fund sources. TZS 908.8 billion was planned to be mobilised as appropriated revenue (fuel levy and transit charges); TZS 37.6 billion from Development Partners; and the remaining TZS 13.2 billion from miscellaneous sources (overloading fees, abnormal road permits and road reserve user charges).

During the year under review, TZS 784.83 billion was collected as appropriated revenue and from miscellaneous sources. The amount was equivalent to 86.4% of the approved revenue from the sources and equivalent to 2.6% decrease compared to collection in the FY 2017/18. The total appropriated revenue collection was TZS 769.9 billion – equivalent to 84.7% of the estimated collection of TZS 908.8 billion. Miscellaneous collection was TZS 14.5 billion, equivalent to 110% of approved collection from miscellaneous sources.

During the year under review, TZS 763.0 billion, equivalent to 84% of appropriated budget was disbursed to the Implementing Agencies whereas TZS 14.5 billion of miscellaneous collections was also disbursed.

The total disbursements from the Development Partners in the FY 2018/19 were TZS 9.5 billion. This amount was disbursed to the Implementing Agencies for development projects.

1.5 Key Performance Indicators

1.5.1 RFB Strategic Performance Indicators

The 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
Increase Collection of Roads & Fuel Tolls	10%	6%
Disbursement of Fund to Implementing Agencies	100%	100%
Monitoring utilisation of Fund for 10 regions	10	10
Meet Road Maintenance needs	76%	44.8%

As indicated in **Table 1.1** below, overall 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 Unconstrained and Constrained Budget (TZS Billion)

Implementing Agency	Unconstrained Budget			Constrained Budget			Financing Capacity		
	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
TANROADS	774.84	855.11	998.93	519.87	573.08	567.63	67%	67%	57%
PO-RALG/TARURA	778.61	1,043.21	587.35	247.56	244.72	243.27	32%	23%	41%
Total	1,553.45	1,898.33	1,586.28	767.43	817.81	810.89	49%	43%	51%

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 42.9% of maintenance needs (unconstrained budget).

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

Implementing Agency	2016/17			2017/18			2018/19		
	Maintenance needs	Disbursement	Financing gap	Maintenance needs	Disbursement	Financing gap	Maintenance needs	Disbursement	Financing gap
TANROADS	774.80	486.70	37.2%	855.0	489.0	42.8%	999.00	476.46	52.3%
PORALG	778.60	231.70	70.2%						
TARURA				706.0	211.0	70.1%	587.00	204.20	65.2%
Total	1,553.40	718.40	54%	1,561.0	700.0	55.2%	1,586.00	680.66	57.1%

Source: Roads Fund Board

During the year under review, the total disbursement was equivalent to 84% 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	2016/17			2017/18			2018/19		
	Approved budget	Disbursement	% disbursement to budget	Approved budget	Disbursement	% disbursement to budget	Approved budget	Disbursement	% disbursement to budget
TANROADS	519.9	486.7	93.6	573.1	489.1	85.4	567.62	476.46	83.9%
TARURA				246.8	210.6	85.4	243.26	204.20	83.9%
MoWTC	57.8	53.6	92.8	63.7	54.3	85.4	63.06	52.94	84.0%
PO-RALG	247.6	231.8	93.6	26.1	22.3	85.4	27.02	22.68	83.9%
RF Admin.	7.2	6.7	93.6	7.9	6.7	85.4	7.81	6.56	84.0%
Total	832.3	778.82	93.6	917.5	783.1	85.4	908.77	762.84	83.9%

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:
 - (a) Coverage of periodic maintenance needs;
 - (b) Routine maintenance needs; and
 - (c) 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

	Performance Indicator	Performance Target	Achieved Target in FY 2017/18	Means of Verification	Objective
(i)	% share of Roads Fund to Road Users' Charges	100% share	89.0%	Annual reports	To assess level of reforms as per Road Maintenance Initiative (RMI)
(ii)	% share of fuel levy to the Roads Fund	<60% share	95.9%	Annual reports	To assess over dependence on one source of revenue
(iii)	% coverage of routine maintenance needs	100% coverage	79.9%	Annual reports	To assess level of asset preservation
(iv)	% coverage of periodic maintenance needs	100% coverage	43.0%	Annual reports	To assess level of asset preservation
(v)	% coverage of total maintenance needs	100% coverage	51.1%	Annual reports	To assess level of maintenance funding
(vi)	% of annual disbursed funds compared to budgets	100% of annual budget disbursed	84.0%	Annual financial statement	To assess fulfilment of annual maintenance budget
(v)	% of annual disbursement to annual collection	100% of annual collection disbursed	100.0%	Annual financial statement	To assess disbursement capacity
Five Year Development Plan II					
(i)	Adequacy of funds for road maintenance	Meet maintenance needs by at least 75%	51.1%	Number of new sources and % increase of funds	To keep all 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 and 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.

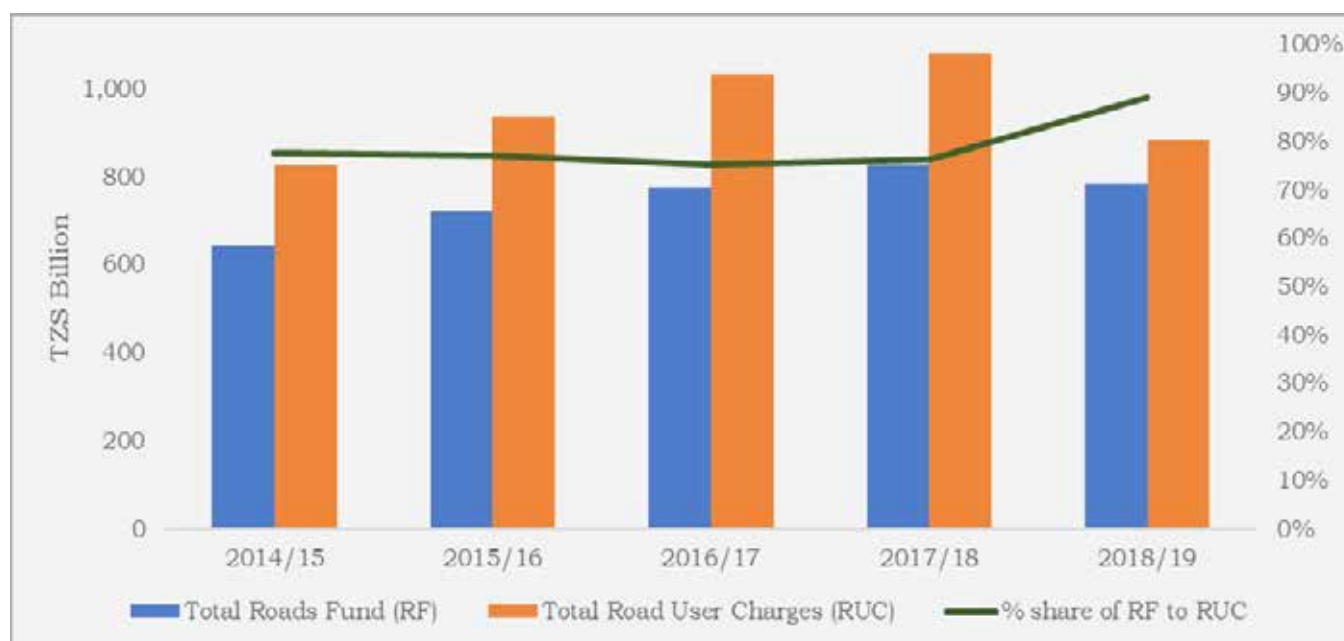
Table 1.5: Roads Fund Revenue and Total Road User Charges (TZS billion)

	2014/15	2015/16	2016/17	2017/18	2018/19
Fuel levy	623.2	705.1	744.1	791.2	747.16
Transit charges	7.9	9.4	11.6	14.9	22.76
Overloading fees	10.9	8.1	10.1	17.1	9.49
Road Reserve User Charges			10.0	6.7	5.42
Total Roads Fund (RF)	642.0	722.6	775.8	829.9	784.83
Other motor vehicle taxes	184.4	214.2	256.8	256.8	96.80
Total Road User Charges (RUC)	826.4	936.7	1,032.6	1,086.7	881.63
% share of RF to RUC	77.7%	77.1%	75.1%	76.4%	89.0%

Source: Roads Fund Board and TRA

The Roads Fund share to all road user charges in the FY 2018/19 was 89.0%. The share increased from 76.3 % in the FY 2017/18. 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% of total revenue for the Fund.

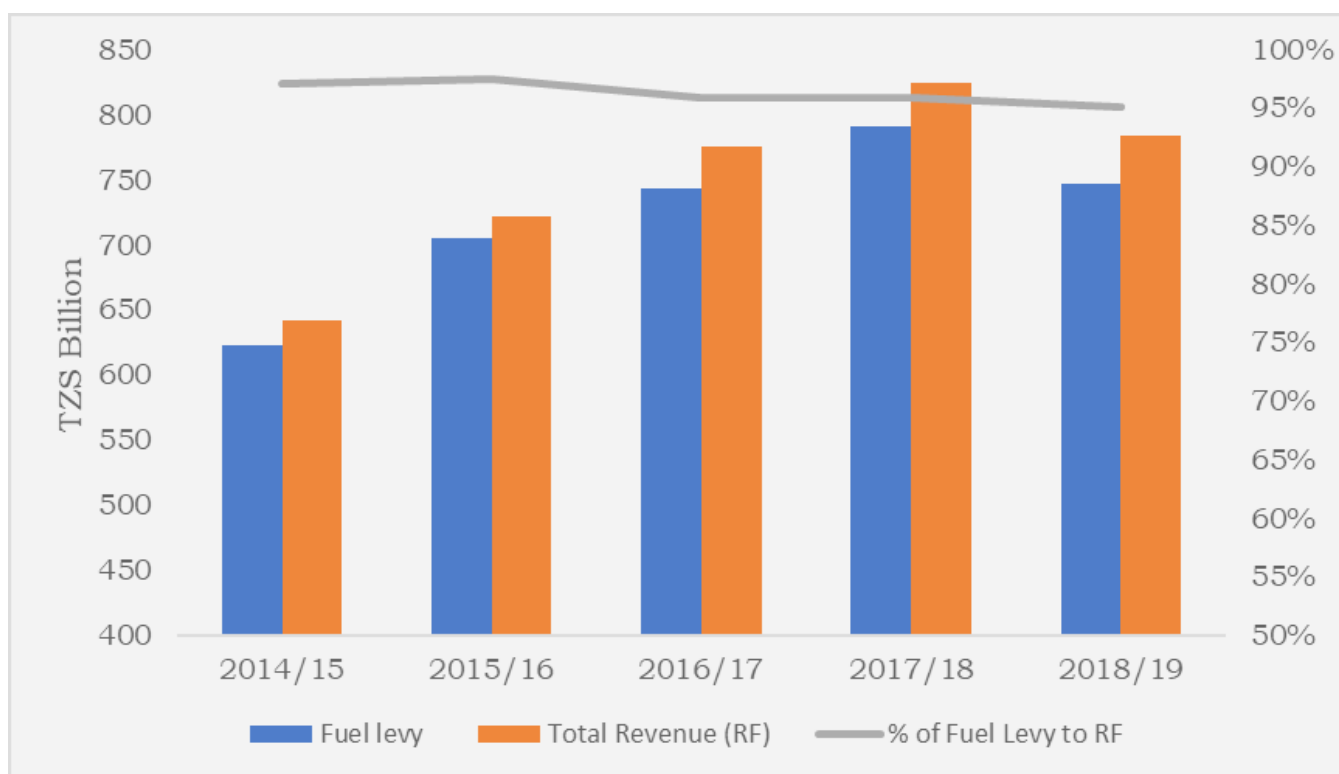
Table 1.6: Share of fuel levy to Roads Fund (TZS billion)

	Source	2014/15	2015/16	2016/17	2017/18	2018/19
1	Fuel levy	623.2	705.1	744.1	791.2	747.2
2	Transit charges	7.9	9.4	11.6	15.0	22.8
3	Overloading Fees	10.9	8.0	10.2	12.0	9.5
4	Road Reserve User Charges			10.0	6.7	5.4
	Total Revenue (RF)	642.0	722.5	775.9	824.9	784.8
	% of Fuel Levy to RF	97.1%	97.6%	95.9%	95.9%	95.2%

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 maintenance¹ 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.

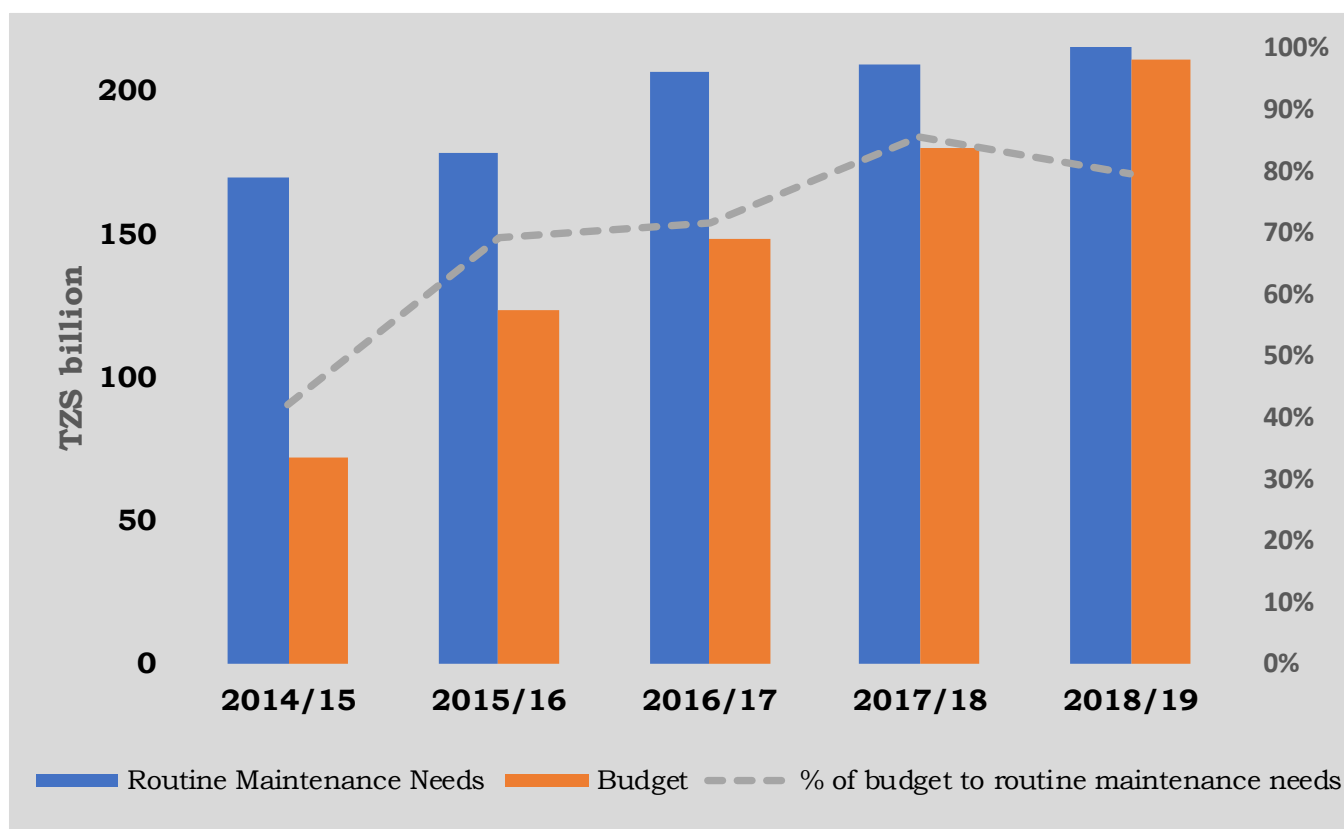
As it is indicated in **Figure 1.3** below, routine maintenance needs continued to exceed the budget allocation in the FY 2018/19. However, the budget allocation increased by 14.7% to TZS 211.2 billion in the FY 2018/19 from TZS 180.1 billion in the FY 2017/18. The maintenance needs increased by 20.7% to TZS 264.4 billion in the FY 2018/19 from TZS 209.7 billion in the FY 2017/18.

The budget allocation in the FY 2018/19 was equivalent to 79.9% of maintenance requirements during the year slightly lower than 85.9% recorded in the FY 2017/18. The decrease is partly due to disproportionate increase in needs for roads maintenance compared to increase in collections during the year.

¹ 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.

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

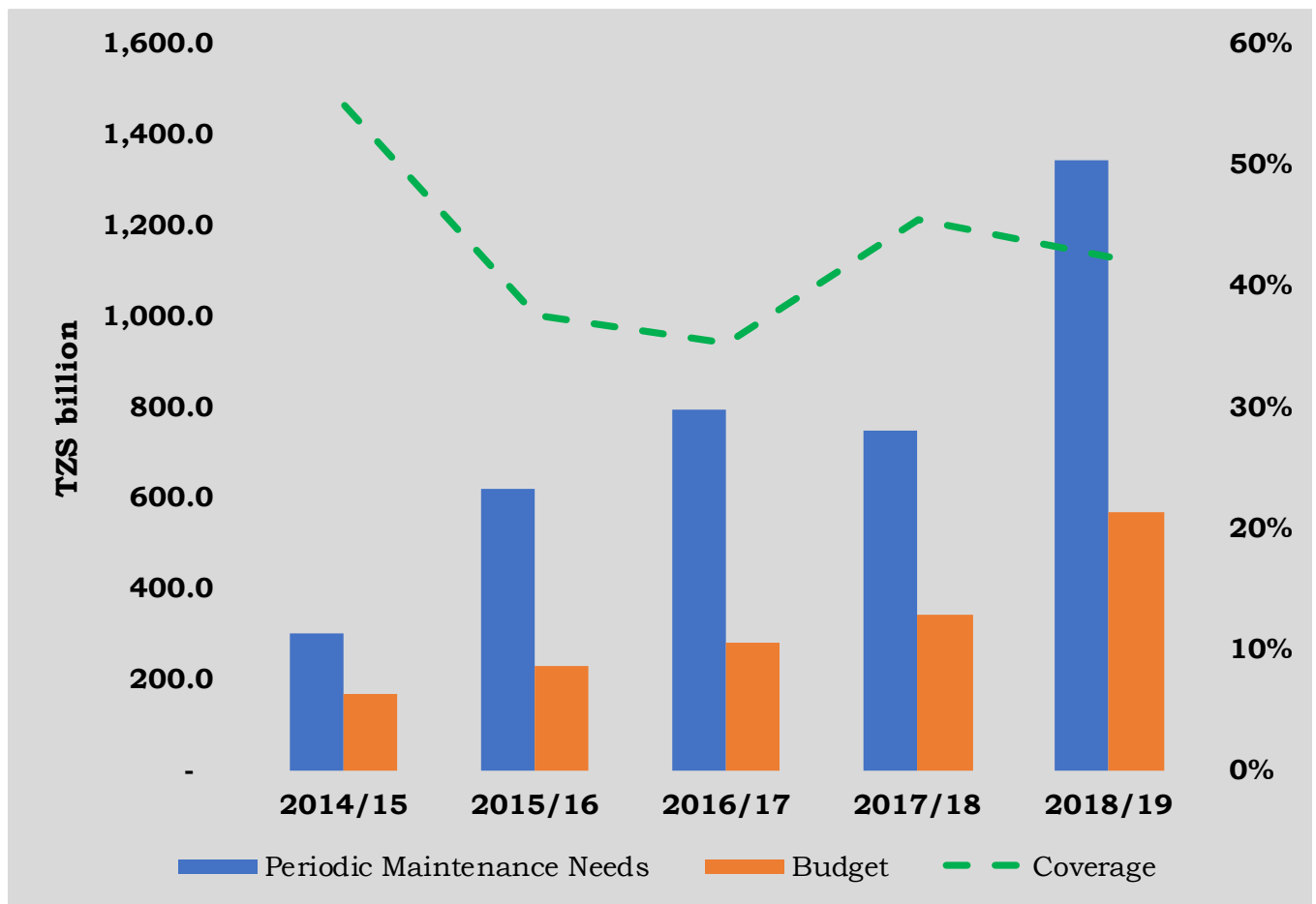
1.5.6 Coverage of periodic maintenance needs

Periodic Maintenance² 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 and budget allocation continued to be below periodic maintenance requirements. In the FY 2018/19 the coverage was 43% compared to 46% recorded in the FY 2017/18. The decline in coverage reflects continued increase in maintenance needs relative to revenue collections.

² Activities done under **periodic maintenance**, on paved roads include resealing, overlays of less than 100 mm, fog sprays and shoulder re-forming.

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



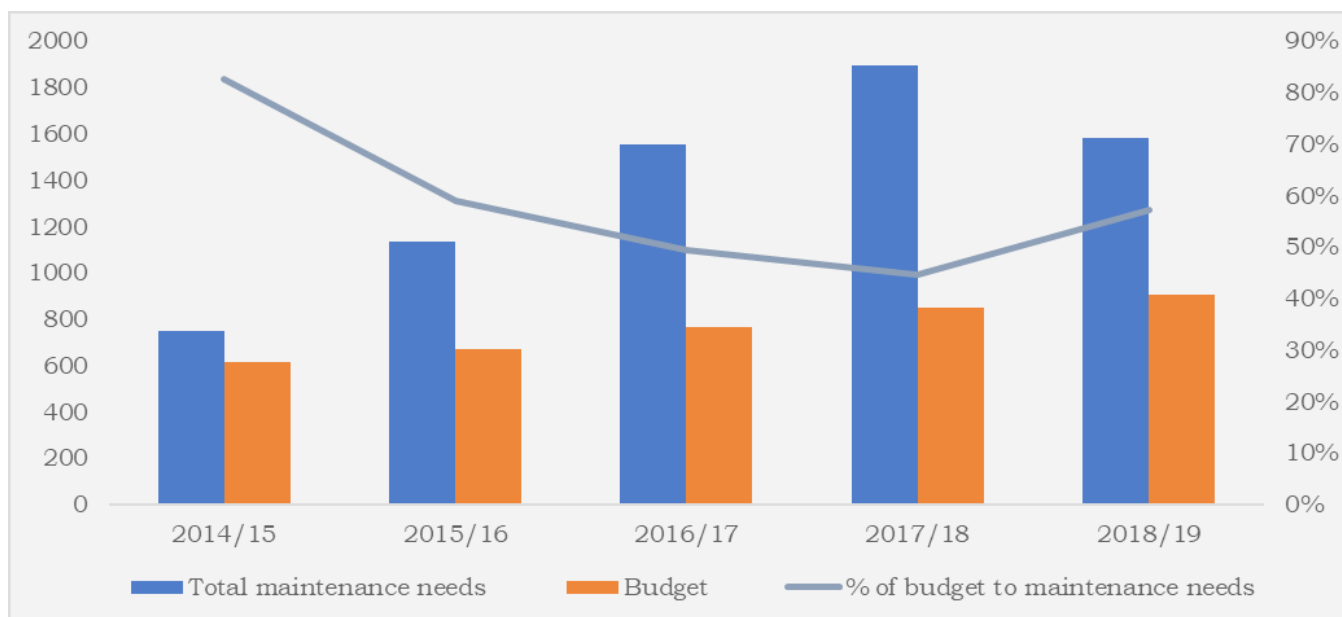
Source: Roads Fund Board, TANROADS and TARURA

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 2018/19 was enough to cover 57.3% of requirements compared to 44.8% in the FY 2017/18. The increase in coverage of total maintenance needs is mainly due to 16.4% decrease of total maintenance from TZS 1,898.3 billion in the FY 2017/18 to TZS 1,586 billion in the FY 2018/19.

Figure 1.5: Total Maintenance Needs Against Budget (TZS billion)



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, 84% 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)

	2014/15	2015/16	2016/17	2017/18	2018/19
Annual Budget	541.9	727.9	832.4	917.6	908.8
Annual Collection	642.4	714.5	755.7	806.2	784.9
Disbursement	541.9	629.3	755.7	783.1	763
% of collection to budget	118.5%	98.2%	90.8%	87.9%	86.4%
% of disbursement to budget	100.0%	86.5%	90.8%	85.3%	84.0%

Source: Roads Fund Board

As indicated in the above Table, percentage of disbursement over annual budget for FY 2018/19 declined slightly to 84% from 85.3% in FY 2017/18. On the other hand, percentage of collection to annual budget decreased to 86.4% compared to 89.9% in FY 2017/18.

1.5.9 Development Partners’ Funds

In 2018/19, all Development Partners support were at a process of authorization. Cumulatively a total of TZS 9.5 billion was disbursed by USAID during the year. All funds from development partners were disbursed to Implementing Agencies.

1.5 Special Allocation

During the financial year under review, a total of TZS 14.4 was disbursed to Implementing Agencies as special allocation following request submitted to RFB. The funds were used in roads works and road related activities. **Table 1.8** shows breakdown of the special allocations to Implanting Agencies.

Table 1.8: Special Allocation of Funds (TZS Billion)

Implementing Agency	Year	
	2017/18	2018/19
MoWTC (Works)	6.5	3.4
PORALG	1.9	2.6
TANROADS	0.6	3.4
TARURA	8.4	5.1
Total	17.4	14.5

Source: Roads Fund Board

1.6 Employees' Welfare

The total number of employees of the Board during the year was 23 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:

- a) Funding adequacy for road maintenance enhanced;
- b) Allocation and disbursement of funds to Implementing agencies improved;
- c) Monitoring and evaluation of revenue collection and funds utilisation enhanced;
- d) Capacity of RFB to undertake its mandate function improved;
- e) HIV/AIDs infections reduced and support services improved; and
- f) 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, 2019 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 2018/19 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 2018/19 RFB Financial Statements and obtained unqualified opinion as shown below. The Audited Statements are presented in **Annex 1**.

By the Order of the Board



.....
Chairman of the Roads Fund Board

30th September 2020

.....
Date

2.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board,
Roads Fund Board,
P. O. Box 993,
DODOMA.

Report on the Audit of Financial Statements of Roads Fund Board for the Financial Year Ended 30th June, 2019

Unqualified Opinion

I have audited the accompanying Financial Statements of Roads Fund Board, which comprise of Statement of Financial Position as at 30th June, 2019, Statement of Financial Performance, Statement of Changes in Net Assets, Cash Flow Statement and the Statement of Comparison of Budget and Actual Amounts for the year then ended, as well as the Notes to the Financial Statements, including a Summary of Significant Accounting Policies.

In my opinion, the accompanying Financial Statements present fairly in all material respects, the Financial Position of Roads Fund Board as at 30th June, 2019, 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 Roads 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

Controller and Auditor General

AR/CG/RFB/2018/19

3

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, 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 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 Board procurement transactions and processes have generally complied with the requirements of the Public Procurement Act, 2011 and its underlying Regulations of 2013 (Amended 2016).



Charles E. Kichere
CONTROLLER AND AUDITOR GENERAL

31 March 2020

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

2 Introduction

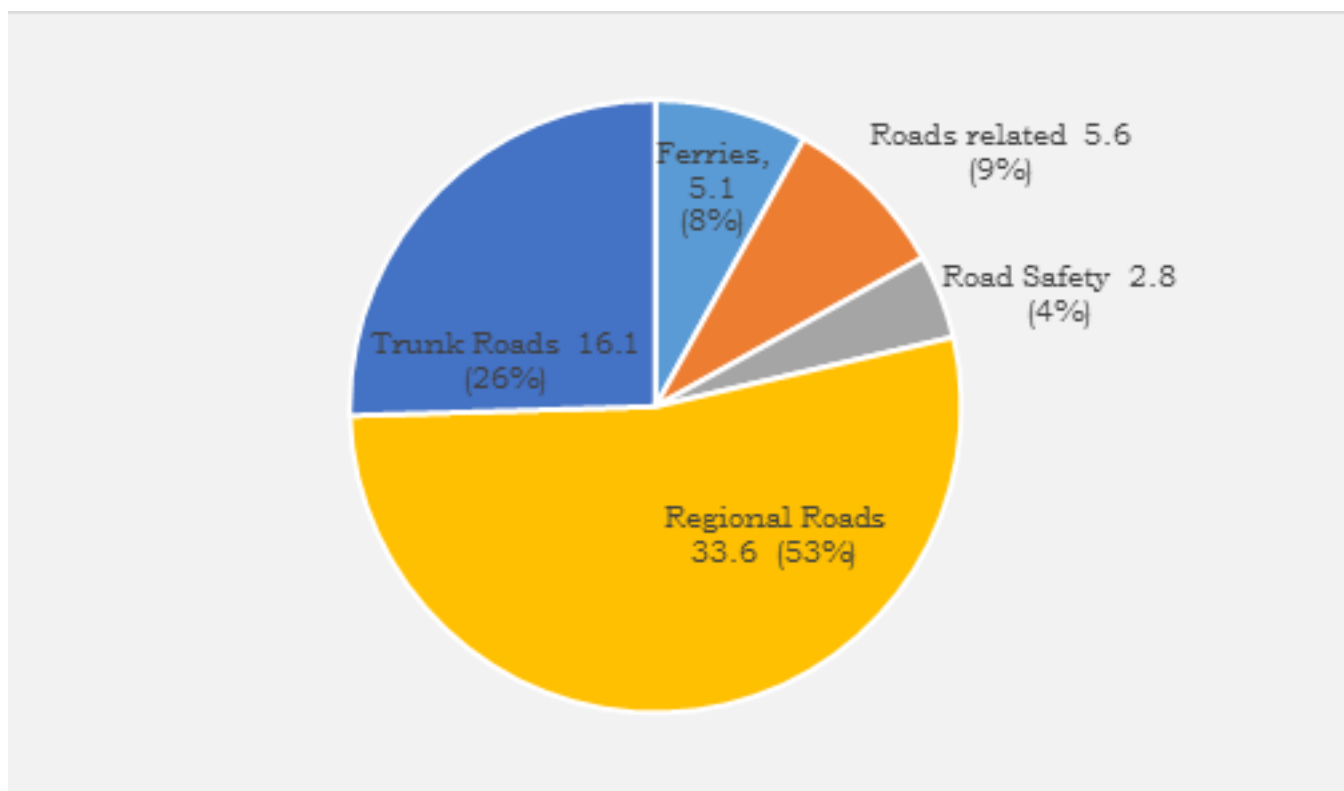
In accordance with Section 4 (4) of the Roads and Fuel Tolls Act, CAP 220, MoWTC receives 10% of the 70% budget allocation for national roads. MoWTC and the Roads Fund Board do sign Annual Performance Agreement prior to disbursement of funds.

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 2018/19.

2.2 Annual Budget

In the FY 2018/19, a total of TZS 63.1 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]

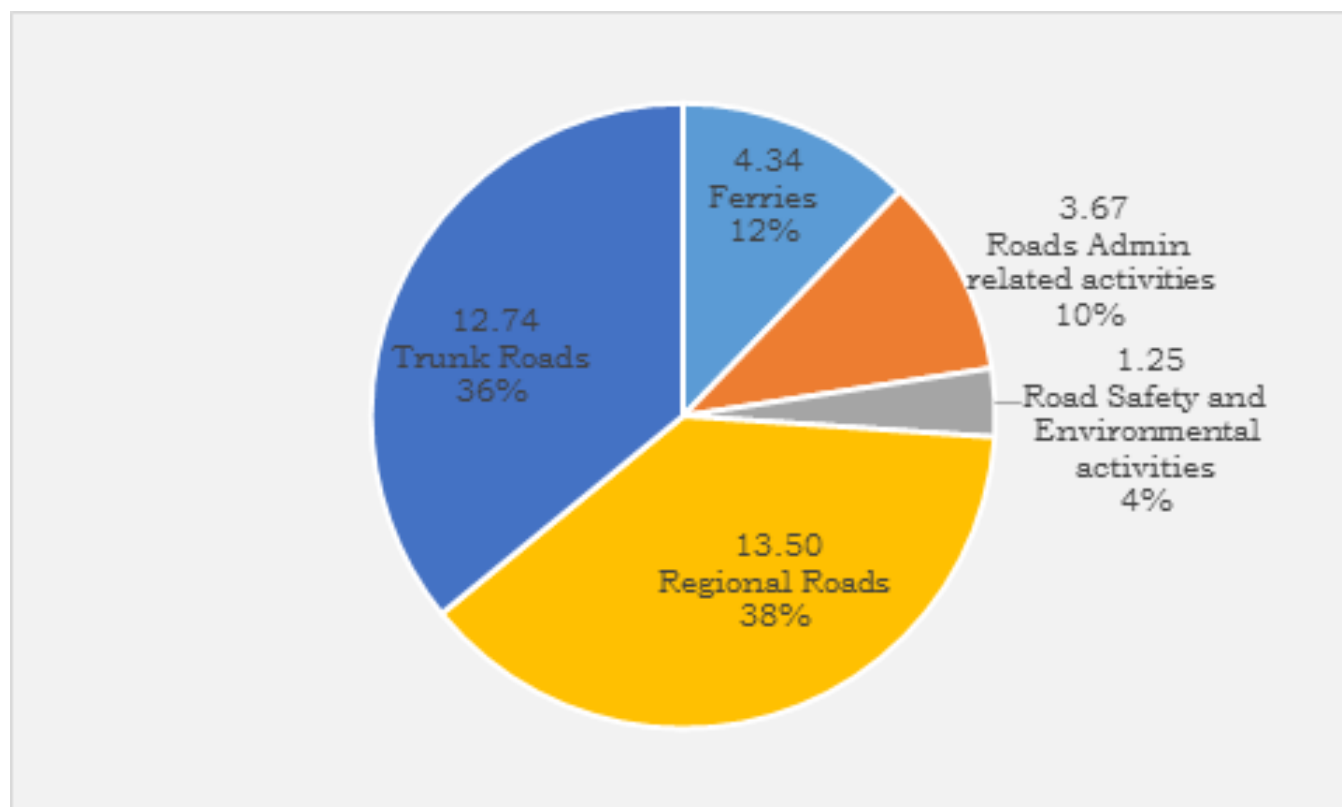


Source: MoWTC & RFB

2.3 Overall Physical and Financial Performance

During the FY 2018/19, TZS 52.9 billion was disbursed to MoWTC. This was equivalent to 84% of the annual budget. The total cumulative expenditure during the year was TZS 35.5 billion - equivalent to 56.3% 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 due to delay in approval of VAT exemptions. The operational plan and implementation is elaborated below.

2.4 Projects

2.4.1 Trunk roads Project

During the year, a total of TZS 13.5 billion was allocated and disbursed to MoWTC for trunk roads projects. The total expenditure on the projects during the year was TZS 12.7 billion - equivalent to 94% of the funds disbursed for trunk road projects. The physical performance of the trunk roads projects were at the stage of feasibility studies and detailed designs as shown in **Annex 2**.

2.4.2 Regional Roads Projects

During the year, a total of TZS 33.5 billion was budgeted for regional road projects. The planned activities were:

- (i) Rehabilitation and upgrading of 502.7 km, out of which 478.0 km was rehabilitation to gravel standard and 24.7 km was for upgrading to bitumen standard;
- (ii) Construction of 15 bridges and carrying out feasibility study and detailed design; and

-
- (iii) Training sessions for roads development and maintenance programmes as implemented by Appropriate Technology Training Institute (ATTI); Morogoro Works Training Institute (MWTI); Women Participation Unit (WPU); and the Tanzania Technology Transfer Centre (TANT² Centre).

By 30th June, 2019 a total of TZS 28.0 billion was disbursed. The total expenditure was TZS 13.5 billion, equivalent to 48.2% of the disbursed amount. The main reason for the low performance was due to the delay in finalizing procurement processes for some projects. Details of the regional projects including their financial and physical plans as well as their performance during the year is presented in **Annex 3**.

2.4.3 Ferries Projects

In the FY 2018/19, a total of TZS 5.1 billion was allocated for procurement of ferries, construction of ferry ramps, rehabilitation of ferries and monitoring and evaluation of ferry projects. Allocation of funds for implementation of planned projects and activities in FY 2018/19 is as follows:

- (i) TZS 810.00 million for completion of procurement of new ferry to ply between Kayenze and Bezi Island in Lake Victoria;
- (ii) TZS 400.00 million for completion of construction of new ferry ramps for Kilombero river between Mlimba and Malinyi;
- (iii) 500.00 million for construction of new ferry ramp for Kayenze and Bezi Island in Mwanza;
- (iv) TZS 400.00 million for rehabilitation of ferries; and
- (v) TZS 742.00 million for related ferry administration activities, monitoring and evaluation.

As of 30th June 2019 the cumulative funds released was TZS 4.33 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)

Project /Activity	Annual Plan	Achievement	Remarks
Completion of Procurement of new ferry to ply between Kayenze and Bezi Island in Mwanza	100%	60%	Construction of ferry started on 4th February, 2019. Hull and Superstructure was completed except Wheel House. Other remaining works were supply and installation of machines, equipment, fitting accessories, electrical and electronic systems, Bilge System, Hydraulic system, etc.
Construction of new ferry ramps to ply between Chato – Muharamba and Chato – Nkome in Geita	100%	35%	Approval from the Treasury on a requested Tax exemption on materials, parts and services to be used in the construction of the ferry was granted and contract was signed.
Completion of construction of new ferry ramps for Kilombero river between Mlimba and Malinyi	100%	40%	The contractor has started construction of new ferry ramps for Kilombero River crossing at Kikove, Mlimba side but progress was affected by rains.
Construction of new ferry ramp for Kayenze and Bezi Island in Mwanza	100%	30%	Preparation of bid document for Kayenze and Bezi Island ferry ramps in Mwanza Region in progress by TANROADS
Rehabilitation of ferries	100%	50%	Rehabilitation of MV Utete 95% completed. Pending works includes safety and lifesaving equipment
Related Ferry Administration Activities Monitoring and evaluation of ferry projects and other related activities	100%	100%	Monitoring and evaluation of ferry projects conducted in Kigoma, Mwanza, Dar es Salaam and Tanga regions

Source: MOWTC

2.5 Road Related Administrative Activities

In the FY 2018/19 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 2019/20 was prepared and tabled to the Parliament for approval;
- (ii) Ministry's Annual Action Plan for the FY 2019/20 was prepared and submitted to MoFP in June, 2019;

-
- (iii) Annual Performance Agreement for the FY 2019/20 between Roads Fund Board and the MoWTC (Works) was prepared and signed;
- (iv) Compilation of data for the publication of Sectoral Statistics Book for 2018; and
- (v) The Ministry participated in the following regional road related meetings:
- Three SADC Meetings of the Heads States;
 - EAC Steering Committee meeting on Multinational Road Projects;
 - Joint Permanent Commission meeting between Tanzania and Uganda;
 - Africa Investment Forum meeting in Johannesburg; and
 - Two meetings on East African Trade and Transport Facilitation Project (EATTFP) and Tripartite Transport and Transit Facilitation Program (TTTFP).
- (vi) Construction works for Ministry's (Works) Headquarters Building located at Moshi Avenue in Dodoma was finalized. Construction of drivers' hut, installation of lift, landscaping and fencing were on-going.

Up to 30th June, 2019 the total funds released were TZS 4.5 billion while the total expenditure was TZS 3.7 billion which is equivalent to 82.2% of the funds released. Details of the administrative activities and performance on financial and physical plans during the FY 2018/2019, are summarized in **Annex 4**.

2.6 Roads Safety and Environmental Activities

During the FY 2018/19, TZS 2.8 billion was allocated for roads safety and environment activities. The planned activities included:-

- (i) Installation of 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 TANZAM Corridor;
- (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 2.4 billion was released for the implementation of the above activities. The total expenditure was TZS 1.3 billion, equivalent to 52.9% of the released funds. The low implementation performance was due to delays in concluding procurement processes. The summary of physical and financial performance for road safety and environmental activities is presented in **Table 2.2** below.

Table 2.2: Roads Safety and Environmental Activities Funded through the Roads Fund Budget in 2018/2019

Project/Activity Name	Plan for FY 2018/19	Achievement	Remarks
1 Operatization 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 system	Maintenance services for the first and second term were done and completed while for the third and fourth term were not achieved due to expiring of the contract	The Ministry is planning to renew contract for performing maintenance services.
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	Proposal for conducting Feasibility Study were approved and now is in the final stage of procurement process	Project has shifted to TANROADS for implementation
3 Purchase and Installation of Pilot surveillance cameras along TANZAM Highway	Installation of prototype surveillance cameras along TANZAM Highway	Installation of cameras has completed and the Consultant submitted a letter for final inspection	
4 Compensation of land for establishment of One Stop Inspection Stations (OSIS) along Dar and central corridor	To acquire land at Iboya (Mbozi), Ruaha Mbuyuni (Morogoro) stations.	Payments have been done to PAP's 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 TANZAM zone	To conduct road safety audit in TANZAM Corridor	Combined Technical and Financial Evaluation Report submitted to PMU for further approval	
6 Conduct road safety awareness campaigns	Prepare and participate in road safety week	The Ministry conducted awareness and Training on the EAC-VLC Act, 2016 to Stakeholders including transporters, weighbridge staff etc.	The Ministry conducted awareness and Training on the EAC-VLC Act, 2016 to Stakeholders including transporters, weighbridge staffs etc
7 Road Environmental Monitoring and Audit	Conduct Environmental Monitoring and Audit	(i) Environmental Monitoring and Audit were conducted in seven (7) regions namely Songwe, Rukwa,Kilimanjaro,Tanga,Geita, Mwanza and Dar es Salaam	
8 Develop Environmental Management System (EIMS) and conduct on job training	To develop Environmental Information Management System (EIMS) and conduct on job training	(ii) Environmental Monitoring and Audit for ferries were conducted at Magogoni and Kigamboni stations. Preparation of TOR is in progress	Awaiting Comments from NEMC
9 Participate in local and International meetings and professional training on road transport safety	To participate local and International meetings on road safety	Two (2) staff participated in International meeting in Kampala, Uganda.	
10 Conduct Professional training on road transport safety and axle load control	Participate in professional training on road transport safety and axle control	One (1) staff participated in training on road transport safety at Hasselt University in Belgium.	
11 Monitoring and evaluation of roads, vehicles and ferries safety, maintenance of supervision vehicles, fuel and other related road safety administrative cost.	Conduct Monitoring and Evaluation of Roads and Vehicle Safety.	(i) Monitoring was conducted in fourteen (14) weighbridge stations.	
		(ii) Monitoring for roads sings,roads marking and roads infrastructure were conducted along Central Corridor.	

2.7 Implementation Challenges

In the FY 2018/19, the main challenge that faced the Ministry were delays in finalizing 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 2018/19. The Ministry obtained unqualified opinion as confirmed by the Opinion Letter from the Controller and Auditor General 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 Development Funds Received of the Ministry of Works, Transport and Communication (Works) from Roads Fund Board for the Financial Year Ended 30th June, 2019.

Unqualified Opinion

I have audited the accompanying Financial Statements of the Ministry of Works, Transport and Communication (Works) for Funds Received from Roads Fund Board, which comprise of the Statement of Financial Position as at 30th June, 2019 and the Statement of Financial Performance, the Statement of Changes in Net Assets, 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 the Ministry of Works, Transport and Communication (Works) for Funds Received from Roads Fund Board as at 30th June, 2019, 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.

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.

Controller and Auditor General

AR/VT.98/RF/MOW/2018/19

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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 IPSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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(Amended 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 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, 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(Amended 2016) and its underlying Regulations of 2013(Amended 2016).



Charles E. Kichere

CONTROLLER AND AUDITOR GENERAL

31st March, 2020

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**PART THREE: PERFORMANCE REVIEW OF PRESIDENT’S OFFICE –
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT**

3 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 2018/19.

In the FY 2018/19, PORALG approved road fund development budget for rural and urban roads was TZS 27.0 billion as shown in **Table 3.1** below.

Table 3.1 Approved Roads Fund Budget for FY 2018/19 (TZS Billion)

Activity	Funds Allocation
(i) Roads Development	21.0
(ii) Construction of TARURA HQ Offices	0.4
(iii) Supervision of Development Works by TARURA	1.0
(iv) Design of roads in potential productive and industrial areas	2.0
(v) PORALG Monitoring and Related Administrative Costs	2.6
Total	27.0

3.1 Roads Fund Receipt and Expenditure

Up to 30th June, 2019, PORALG received a total of TZS 22.6 billion, equivalent to 84% of its appropriated budget.

During the FY 2018/19 a total of 167.17 km of roads was constructed out of 241 km and 3 bridges planned. The achievement was equivalent to 69.4% of planned physical works during the year. TZS 6.77 billion - equivalent to 27% of budget - was spent in financing the construction of the roads and carrying out road designs.

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 road programmes. The disbursement included funds which were budgeted for disbursement in the previous financial years. The implemented projects were as described below.

3.2.1 Improving Rural Access in Tanzania (IRAT)

Improving Rural Access in Tanzania (IRAT) Programme is funded by DFID. The Programme is implemented under five phases of which phase I, IV, V were completed. The remained phases i.e. phase II and III are as described below:

(i) Phase II Projects

IRAT Phase II Projects were implemented in 11 Councils³ with a total cost of TZS 26.41 billion. All funds for implementation of phase II projects were released and disbursed to Councils from FY 2016/17. Construction works have been completed in ten Councils with a total expenditure of TZS 24.66 billion - equivalent to 93% of the total released fund.

(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, 2019, a total of 16 contracts were completed in six Councils: Busokelo DC, Dodoma MC, Iramba DC, Kyela DC, Rungwe DC and Bahi DC. The remaining one contract in Kibiti DC is the construction of Mbuchi Bridge.

Up to 30th June 2019, the total expenditure for Phase III was TZS 21.0 billion, equivalent to 86% of the released fund.

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

3.2.2.1 Implementation of Works by using Funds from first tranche (Tranche 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 for using Funds from first tranche (Tranche I).

By the end of the FY 2018/19, the total expenditure for the project was TZS 10.3 billion, equivalent to 98% of the disbursed amount of TZS 10.5 billion. The project implementation in various councils was as follows:

- Projects were completed in 15 LGAs, namely: Ulanga, Tunduru, Ruangwa, Kilindi, Chato, Magu, Iringa, Kisarawe, Kilolo, Kondo, Kalambo, Geita TC, Mpwapwa, Dodoma MC and Kaliua.
- Procurement of new contractor for construction of the Kavunja bridge (40m span) has been completed in Nkasi DC and the contractor has started mobilisation of equipment and materials. The remaining funds of TZS 264.3 million will be included in the contract of bridge construction with co-financing with Road Fund.

3.2.2.2 Implementation of works by using Funds from Second Tranche (Tranche II)

Implementation of works using funds from second tranche (Tranche II), involved five Councils of Chamwino, Kilolo, Kondo, Kisarawe and Songea DC with a total budget of TZS 3.2 billion.

As of June 30th 2019, TZS 2.95 billion (95%) was spent by Councils. Projects in four Councils were completed while in Kilolo DC, works implementation is on progress at 90%.

³ Babati, Bahi, Dodoma MC, Gairo, Hai, Iringa MC, Kilombero, Kyerwa, Siha, Tunduma and Wang'ing'ombe

3.2.2.3 Implementation of works by using Funds from Third Tranche (Tranche III)

Implementation of works using funds from the Third Tranche (Tranche III) involved fifteen 4Councils. The total budget for the works, including TARURA Headquarters was TZS 9.2 billion. The budget amount was released in the FY 2018/19 as part of funds for the FY 2016/2017 Budget.

As of June 2019, a total of TZS 6.9 billion (76%) was spent by Councils. The overall physical performance is 81%. Projects are completed in eleven Councils while in five Councils projects are still in implementation stage. The design of a permanent structure at Kihansi Bridge is completed and payments are waiting for the design review.

3.2.3 Programme on Improvement of Rural Roads In Tanzania under EDF

The programme involves improvement of rural roads in four Councils of Iringa DC, Mufindi DC, Songea DC and Mbinga DC. The budget for the projects was is Euro 16,721,442.89 and TZS 41,184,910.32.

Projects in Mufindi DC, Songea DC and Mbinga DC were completed and handed over to the Councils. TZS 38.1 billion (83.7% of the budget) was spent to construct 80.37 km of roads (90.6% of the plan).

In Iringa DC, the Contract was terminated and new contractor was engaged to complete the remained uncompleted works.

3.3 PORALG Headquarters Activities

During the FY 2018/19, PORALG received TZS 2.5 billion – equivalent to 97% of the estimated budget of TZS 2.6 billion.

The funds were used to finance monitoring of road works, administration activities, maintenance of vehicles and office equipment. Other activities included contribution to PIARC, purchase of office equipment, purchase of office vehicles and participation in Africa Region and International Capacity Building Programmes.

3.4 Underlying Policies

PORALG operations were guided by various policies set by the Government. The underlying policies include gender issues, employment generation, labour-based technology, support for development of local contractors, HIV/AIDS protection, environmental policy and private sector participation.

With regard to women participation in road works a total of 9,964 women were employed out of 49,887 employees equivalent to 20%. A total of 99 out of 467 contracts (21%) were labor-based. With regard to HIV/AIDS awareness campaign a total of 1,423 campaign were conducted in all construction sites.

3.5 Challenges and Measures Taken

Table 3.2 summarises the challenges faced by PORALG during the implementation of development programmes in the FY 2018/19.

4 Songea DC, Mbinga DC, Mwanza DC, Kisarawe DC, Mbulu DC, Kongwa DC, Mbogwe DC, Kilolo DC, Busokelo DC, Kalambo DC, Iringa DC, Ludewa DC, Temeke MC, Hanang' DC, Kiteto DC

Table 3.2: Summary of Challenges and Measures Taken

	Challenges	Measures taken to address
	Insufficient budget allocation for development projects as compared to the requirements.	<ul style="list-style-type: none">• PORALG has requested Ministry of Finance and Planning to allocate budget for roads development.• PO-RALG is looking funds from other donors for development projects.

3.6 Auditors' Opinion on Financial Statements

The Controller and Auditor General performed the statutory audit for the FY 2018/19 Financial Statements. PORALG obtained unqualified opinion as confirmed through the Opinion Letter from the Controller and Auditor General below.

2.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

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

Report on the Audit of Financial Statements for the Financial Year Ended
30th June 2019

Unqualified Opinion

I have audited the accompanying financial statements of President's Office Regional Administration and Local Government (RF-PORALG) which comprise the Statement of Financial Position as at 30th June 2019 and the Statement of Financial Performance, The Statement of Changes in Net Assets, 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 part 3.0 of this report.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of the RF-PORALG as at 30th June 2019, 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 RF-PORALG 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.

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Controller and Auditor General

AR/RF-PORALG/2018/19

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. In addition to the matter described in the basis for opinion section, 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 ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or 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 Act No. 7 of 2011 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act 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, RF-PORALG 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.


Charles E. Kichere
CONTROLLER AND AUDITOR GENERAL

31st March 2020

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Controller and Auditor General

AR/RF-PORALG/2018/19

PART FOUR: PERFORMANCE REVIEW OF TARURA

4 Introduction

TARURA has a mandate of developing and maintaining 52,942 km of classified roads and approximately 74,547 km of unclassified roads that are at the final stages of being classified.

In accordance with Section 4 (34) of the Roads and Fuel Tolls Act, CAP 220, TARURA receives 90% of the total funds available for maintenance and emergency repair of classified District Roads and related administrative costs. This is equivalent to 27% of the total Roads Fund budget allocation.

Before disbursement of the funds in respect of any financial year, TARURA and the Roads Fund Board do sign Annual Performance Agreement prior to disbursement of funds based on the approved Annual Plan and budget.

4.1 Maintenance Budget

The approved budget related to District Roads in the FY 2018/19 was TZS 243.3 billion. The detailed breakdown of the budget is shown in **Table 4.1** below.

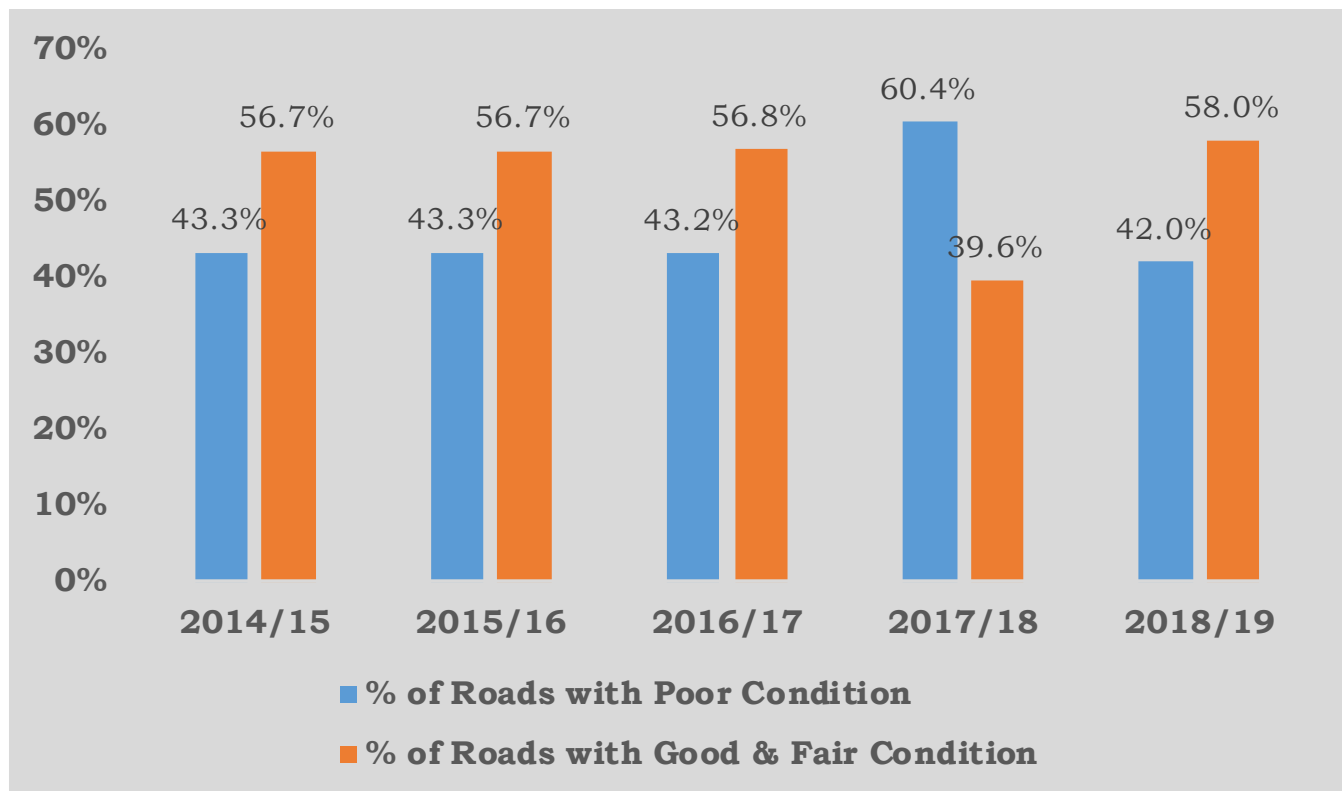
Table 4.1: Breakdown of the FY 2018/19 Budget

	Activity	Annual Plan		Budget %
		Planned (Km)	Road Fund (TZS Mil)	
1	Routine Maintenance	13,163.9	29,588.7	12.2%
2	Spot Improvement	6,201.2	33,727.6	13.9%
3	Periodic Maintenance	3,574.3	103,887.3	42.7%
4	Maintenance of bridges, culverts, drifts and drainages		38,868.5	16.0%
	Total of Maintenance Works	22,939.4	206,072.0	84.7%
	Monitoring and Supervision			
5	Supervision costs at Councils		11,361.3	4.7%
6	Administration costs at Council and Regional Coordinator Offices		7,298.0	3.0%
7	Road Inventory and Condition Survey		940.0	0.4%
8	Monitoring (HQ and Regional Offices)		3,024.7	1.24%
9	Administration costs		1,050.0	0.4%
	Total Monitoring and Supervision		23,674.0	9.7%
10	Emergency		6,488.9	2.7%
	Non- Works Component			
11	Capacity Building		770.3	0.3%
12	Payment for Contract Staff		1,935.2	0.8%
13	Road Research Centre Operations		180.0	0.1%
14	Final Payment for Purchase		186.8	0.1%
15	Zonal LGAs Meetings		300.0	0.1%
16	Review of Development Projects Designs		250.0	0.1%
17	Road Research Activities		200.0	0.1%
18	Purchase of 20 vehicles		2,000.0	0.8%
19	Office Rent for TARURA HQ		463.7	0.2%
20	Office Rent for Council Managers		584.5	0.2%
21	Office Rent for Regional Coordinators		162.2	0.1%
	Sub Total (Non - Works)		7,032.7	2.9%
	Total	22,939.4	243,267.6	100.0%

4.2 Roads Condition

The proportion of roads with good to fair condition increased to 58% by end of the FY 2018/19 compared to 39.6% by end of the FY 2017/18. Correspondingly, the proportion of roads in bad condition declined from 60.4% by end of the 2017/18 to 42% by end of the FY 2018/19 as indicated in **Figure 4.1** below.

Figure 4.1: Road Condition



Source: TARURA & RFB

Note: Roads which were under reconstruction and upgrading were not included in the survey in 2018/19

4.3 Release of Funds and Expenditure

Up to the end of the FY 2018/19, TARURA received TZS 204.20 billion to finance maintenance works. The disbursed amount was equivalent to 84% of the total maintenance and related administration budget.

In the FY 2018/19, a total of TZS 7.59 billion was disbursed as special request to TARURA for implementation of special projects. Up to 30th June 2019, TZS 1.91 billion was spent - equivalent to 25% of the disbursed amount. The special allocation was mainly done in the third and fourth quarter and therefore most projects were still under early stages of implementation by the end of the reporting period.

4.4 Maintenance Works

During the FY 2018/19, TARURA planned to implement road maintenance for 22,939.4 km and various structures (box culverts, pipe culverts, bridges, drifts and lined drains) altogether worth TZS 206.0 billion.

The overall physical and financial performance achievement up to 30th June, 2019 was 19,448.7 km and TZS 131.5 billion representing 85% and 64% respectively, as shown in **Table 4.4** below.

Also TARURA executed 1566.3 km valued TZS 67.7 billion rolled works from the FY 2017/18. All works taken together measures to 21,015.01 km costing TZS 199.2 billion. This in total represents 86% and 73% of physical and financial performance of TARURA in the year.

Table 4.4: Summary of Performance of Maintenance Works as of 30th June, 2019

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

In the year, TARURA provisionally budgeted TZS 6.5 billion for emergency works. This is equivalent to 2.7% of the total budget. Up to the end of the year, TZS 3.1 billion was allocated and spent for emergency works to completion in the Councils as shown in **Table 4.5** below.

Table 4.5: List of Emergency Works

Council		Project Name	Received Fund (TZS)	Contract Amount (TZS)
Kigoma DC	1	Construction of Nkungwe Footbridge	75,725,600	75,725,600
Mbulu DC	2	Construction of Quambasiro Bridge	169,979,000	165,730,000
	3	Construction of Magang, Gidmadoy Bridge	105,916,800	111,065,000
Nyang'hwale DC	4	Construction of Box Culvert along Izunya-Kafita-Lushimba road	110,319,640	107,870,000
Bunda DC	5	Emergency Works (construction of one box culvert and protection of two bridges and one culvert) along Mugeta- Mihingo – Mekomariro – Sirorisimba road	51,126,000	51,126,000
Sumbawanga DC	6	Rehabilitation of NFRA – Laela road (2.42km) and Laela – Kavifuti – Miangalua road (22.9km)	41,234,500	41,195,350
Singida MC	7	Construction of Storm Water Drainages & 1 Culvert along Unyambwa and ST. Callories road	93,700,000	91,003,700
Singida DC	8	Repair of (Kinyawahe-Lamba-Ngimu culvert 2No, Maghojoa-Murigha-Mwachambia Culvert-2No, Mery-Ngamu Culvert 2No, Kinyeto-Drajani-Sagara 2No, Mtinko-Makuro-Diagwa Culvert 1No, Mgori-Ngimu-protection and Kisisi- Makuro 1No	140,312,032	140,312,032
Dodoma CC	9	Patchworks to Area D roads.	500,000,000	500,000,000
Iramba DC	10	Rehabilitation of Mtoa – Masimba – Urughu (4km), Urughu – Kisonga (1km), Kidaru – Tulya (2km) and Kibaya – Luzilukulu (1km) road	137,296,000	137,296,000
Kahama TC	11	Repair of Hosea – Bonde la Miwa (0.75km) road.	167,398,500	167,398,500
Busokelo DC	12	Restore connectivity between Health Centre and Mwandibe Dispensary (0.9km)	49,450,000	49,450,000
Ilala MC	13	Patchworks of equivalent 2,916.90 square meter	247,673,310	247,671,000
Temeke MC	14	Patchworks of equivalent 1,327.97 square meter	119,517,434	119,517,434
Kinondoni MC	15	Patchworks of equivalent 730.31 square meter	73,103,465	73,103,465
Ubungo MC	16	Patchworks of equivalent 628.48 square meter	59,705,792	59,705,792
Mkuranga DC	17	Restore connectivity of Vikindu-Kilongoni (7.96Km).	100,000,000	100,000,000
	18	Restore connectivity of Mkuranga-Tengelea-Dondwe (14.60km)	26,078,000	26,078,000
	19	Restore connectivity for Kipalang'anda- Bupu-Mbulani (36.24km)	47,483,200	47,483,200
	20	Restore connectivity of Mlamleni-Kisasa(6.23km)	120,008,000	120,008,000
	21	Restore connectivity Mwanambuya -Kongowe (12.31Km)	70,000,000	70,000,000
	22	Restore connectivity Majuto (0.75km).	50,000,000	50,000,000
Kalambo DC	23	Restore quick connectivity for Mbezi-Shungubweni (18km)	46,344,880	46,344,880
	24	Bridge rehabilitation along Mkombo – Mlenje road (1No)	105,194,000	105,194,000
Ulanga DC	25	Ikangao Bridge Maintenance (1No)	32,306,200	32,306,200
	26	Epanko Bridge Maintenance (1No)	32,300,000	32,300,000
Kilolo DC	27	Rehabilitation of Ipalamwa – Ukwega Diversion Road.	41,000,000	41,000,000
Nkasi DC	28	Rehabilitation of Katongolo – Ninde Road.	42,536,000	42,536,000
Songwe DC	29	Control of erosion at Ifyenkenya – Ileya – Mbozi (7.6km)	48,000,000	48,000,000
GRAND TOTAL			3,131,090,272	3,131,090,272

Source: TARURA

4.6 Special Funds Allocation

During the reporting period, the Roads Fund Board approved release of TZS 6.80 billion for implementation of special projects. The release was 92% of requested TZS 7.40 billion for special projects during the year. The special projects which were implemented during the year are listed in **Table 4.6** below:

Table 4.6: List of Special Projects

	Council	Description of Activity	Cost of Project (TZS)	Funds Received (TZS)	Status		Remarks	
					Physical Progress	Financial Progress (TZS)		
FY 2018/19	1 Coast	Mkuranga DC	Construction of Box Culvert along Kiguza -Kitonga (1No)	444,447,000	108,207,261	100%	108,207,261	Works completed 100%. Balance funds to be allocated from development projects of FY
			Construction of Box Culvert (1No) and rise of embankment along Mwanambaya – Mipekord (0.7km)	467,873,900	166,046,300	100%	166,046,300	Works completed 100%. Balance funds to be allocated from development projects of FY
			Construction of Box Culvert (1No) and rise of embankment along Tambani -Mbande road (0.07km)	371,593,800	106,207,402	100%	106,207,402	Works completed 100%. Balance funds to be allocated from development projects of FY 2019/20
	2 Arusha	Arusha CC	Upgrading of Muriet road 1km to bitumen standard DSD	500,000,000	500,000,000	25%	58,880,318	Pavement layer G15 Ongoing (TZS 58,880,318 Advance payment)
	3 Tabora	Igunga DC	Construction of Manonga Bridge along Choma-Manonga Road	500,000,000	500,000,000	11%	56,000,000	Only preliminary works of blinding and construction of access road to the site have been completed. The works were delayed due to heavy rainfall that affected Choma - Chibiso Road.
4 Tanga	Korogwe TC	Upgrading of Kibo-Mamanko road 1.1km	800,000,000	800,000,000	69%	436,505,222	Priming on base course in progress	
5 Simiyu	Meatu DC	Upgrading 1.5km town road to bitumen std	1,095,256,316	500,000,000	100%	985,730,685	Remaining activities are road marking and first seal	
Total			4,179,171,016	2,680,460,963		1,917,577,187		

Source: TARURA

4.7 Progress of Development and Application of District Road Management System

TARURA continued to develop its District Road Management System (DROMAS) during the year under review. The following progress has been achieved:

- (i) Standard Report templates on roads inventory, contract management module and map module have been reviewed, updated and are ready to be incorporated into the DROMAS;
- (ii) DROMAS Explorer application (Android) is completed and is operational
- (iii) Construction Sector for Transparency initiatives (CoST) templates has been incorporated in DROMAS.

The remaining features and activities under consideration are:

- (i) Knowledge transfer to TARURA System Programmers;
- (ii) Incorporated of Standard Report templates on roads inventory, Contract, management module and Map module that have been reviewed and updated;
- (iii) Testing of construction site monitoring Application (Android), Prioritization Module, SW Map tool (android phone app), Construction Sector for Transparency initiatives (CoST) templates;
- (iv) Development of Application Programming Interface (API) for DROMAS and RFB MIS; and
- (v) Source Code Repository in GIT HUB.

4.8 Road Safety Issues

TARURA's mandate is to have all year around passable network of rural and urban roads. The mandate involves planning, design, construction and routine maintenance to the rural and urban roads. TARURA recognizes that it has a responsibility to ensure that its roads are designed, built, and maintained to be as safe as possible.

TARURA recognizes that it is necessary to "mainstream" safety in the organization - in other words develop a "safety culture" in which engineers instinctively try to enhance safety in everything they do.

During the year under review, efforts were made towards enhancing and ensuring road safety practice are mainstreamed in the organization practices.

4.9 Underlying Policies and Road Reserve Management

Apart from adherence to the provisions of the law guiding the Roads Fund operations, TARURA observes various National Policies set by the Government. These include Gender policy, Employment policy, HIV/AIDS policy, Environmental policy, Private Sector policy. Implementation of the policies by TARURA during in the FY 2018/19 are summarized in **Table 4.7** below.

Table 4.7: Status of Implementation of Underlying Policies

	Underlying policy issue	Respective Policy	Implementation Status	Remarks
1	Gender Issues	National Gender Policy (1999) National Strategy for Gender Development Women and Gender Development policy. Annual Performance Agreements (APA) between Road Fund Board and TARURA provides for at least 10% of employees to be women.	20% of the 49,887 employed in work contracts worth 153.7 billion were women.	Women are distracted by domestic/family duties hence a need for more awareness campaigns
2	Employment Generation	Annual Performance Agreements (APA) between Road Fund Board and TARURA Provides for 100% of unskilled laborers to be from surrounding villages. CCM Election Manifesto 2015	88% of total 49,050 laborers were locals 484 Force account projects and 554 Consultants were from local community imparting a total of TZS 21.7 billion	It is a huge challenge to get laborers from respective localities during Agricultural season
3	Labour Based Technology	Annual Performance Agreements (APA) between Road Fund Board and TARURA Provides for at least 20% of contracts in the region to be executed using Labor-Based Technology. CCM Election Manifesto 2015	21% of the 467 Contracts valued TZS 153.7 billion used Labor-based technology	Community based groups are very few, and most of them are not registered for easy of administration
4	Reduction of the HIV/AIDS spread and effect	National policy on HIV/AIDS (2001)	1,423 awareness campaigns coupled with provision of 40,857 packets (819 boxes) protective gears costing TZS 377,247,708	Few People Participate in HIV/AIDS awareness campaign associated with Some Community members being shy to collect condoms provided in HIV/AIDS awareness training
5	Protection of environment	National environmental legislations. National Environmental Policy of 1997. National Environmental Management Act of 2004 The Roads Act of 2007 Chapt. 30	546 out of 1476 borrow pits acquired in the year were reinstated	Most of the borrow pits are privately owned making it difficult to control

4.10 Road reserve Management

TARURA provides awareness to the public on the management of road reserves and demarcates roads reserve areas as part of enforcing the Roads Act of 2007 Chapter 29 which talks about the road reserves being exclusively for the use of roads development and expansion or any other road related activities. In the FY 2018/19 a total of 6,079 road reserve markings costing TZS 665,786,598 were constructed. Also 378 awareness training were conducted and TZS 27,285,800 was spent to facilitate the training.

4.11 Staff Matters and Office Requirements

4.11.1 Staff Matters

By the end of the FY 2018/19, TARURA had 1,467 staff. The staffing level was equivalent to 36% of the total of 4,092 required staff. A total of 1,288 staff were seconded from Ministries and Government institutions. 176 staff were engaged on contract basis.

TARURA has engaged 51 engineers who are in SEAP programme. Six of the engineers are paid allowance by TARURA. TARURA continues to recruit new staff to meet the requirement as approved by the Government.

4.11.2 Office Accommodation

Majority of TARURA offices are rented including its Headquarter which is located in PSPF building along Jakaya Kikwete Road in Dodoma. Some are accommodated in TANROADS construction camps for completed projects while others are in District Executive Directors buildings. Regional offices are accommodated in 21 rented buildings and five non-rented, 96 Council offices are rented while 88 are non-rented. The details are as shown **Table 4.8** below:

Table 4.8: Status of TARURA Office accommodations as at 30th June 2019

	Offices	Non-Rented Offices			Rented Offices	
		TANROADS Camp	DED Offices	Others (Government Buildings)	Private Building	Cost (TZS)
1	Regions Coordinators	4	0	1	21	211,437,600
2	Council Managers	17	65	6	96	500,793,884
	Total	21	65	7	117	712,231,484

The Agency’s long-term plan is to build its own offices for Head Quarters, Regions and Councils. While the Head Office is being constructed at PORALG plot in Mtumba Government City, four Councils had acquired plots as shown in **Table 4.9** below:

Table 4.9: Purchase of Plots for TARUR A Offices Construction

	Region	District	Plot size	TZS
1	Rukwa	Kalambo DC	7,682m ²	5,377,400
2	Simiyu	Itilima DC	6,044m ²	3,717,734
3	Ruvuma	Nyasa DC	3,168m ²	5,068,800
4	Ruvuma	Madaba DC	2,880m ²	5,039,999
	Total		20,774 m²	19,203,933

4.11.3 Supervision Vehicles

During the year under review, TARURA continued to face the challenge of lack of enough vehicles for supervision activities. By the end of the year, there was deficit of 329 vehicles as shown in **Table 4.10** below:

Table 4.10: Status of Supervision Vehicles for TARURA

	Station	Required	Available	Deficit
1	Head Quarters	20	13	7
2	Regional Offices	52	30	22
3	Council Offices	520	220	300
	Total	592	263	329

To address the shortage, TARURA made payment for 22 supervision vehicles in the first Quarter of FY 2018/19 through Government Procurement Services Agency. The vehicles were expected to be delivered in August, 2019.

4.12 Challenges

In the course of implementation of Works, TARURA faced a number of challenges that hampered its smooth operations. The challenges are as detailed in **Table 4.11** below:

Table 4.8: Challenges and Measures Taken

Challenges	Measures taken to address
Shortage of Staff. Current staffing level is far below the actual requirement - especially for engineers and technicians.	<ul style="list-style-type: none"> TARURA submitted funding request to the Government for employment of staff.
Budget allocation is far below compared to the actual needs.	<ul style="list-style-type: none"> Measures underway to increase financial resources to finance roads maintenance.
Insufficient supervision vehicles	<ul style="list-style-type: none"> In FY 2018/19 budget, a total of 2 billion allocated to purchase 20 supervision vehicles.
Invasion of road reserve areas	<ul style="list-style-type: none"> Install demarcation signs in some places depending of an availability of funds.
Reallocation of utilities infrastructure belonging to TANESCO, TTCL, DAWASA, etc. is a big challenges. Costs for reallocation are directed to TARURA even where installation of these utilities did not follow procedures.	<ul style="list-style-type: none"> Inspection before possessing the site to contractor to establish if there are utilities. Communication with responsible institute, agency or authority to make sure reallocation is done as early as possible.
Livestock invasion and vehicle overloading.	<ul style="list-style-type: none"> To collaborate with Police Force to enforce the laws to prohibit livestock movements on roads as well as overloading trucks Introduce special areas for livestock crossing and weight bridges.
Absence of regulation to guide revenue collections	<ul style="list-style-type: none"> Preparation of by-laws to guide revenue collection is in progress
Invasion of road reserve areas	<ul style="list-style-type: none"> Enforcement of bylaws and demarcation signs in some places depending of an availability of funds.
Reallocations of utilities services like TANESCO Poles, TTCL, DAWASA is a big challenges in urban areas.	<ul style="list-style-type: none"> Thorough inspection before possessing the site assess whether presence of utilities on the working corridor. Communication with responsible institute, agency or authority to make sure reallocation is done as early as possible.
Road users and animals invade and damage road surface.	<ul style="list-style-type: none"> TARURA Council Managers with support from Police Force to enforce the laws to prohibit livestock movements on roads as well as overloading trucks Allocate special areas for livestock crossing and weight bridges to control.
Delay in implementation of projects due to delays in procurement	<ul style="list-style-type: none"> Capacitate TARURA in terms of human capital.
Shortage of staff especially engineers, technicians and procurement officers.	<ul style="list-style-type: none"> TARURA requested recruitment permission from President's Office Public Service and Good Governance to recruit engineers. TARURA continues with recruitment of staff on temporary contract terms including use of SEAP Engineers.

4.13 Auditors' Opinion on Financial Statements of TARURA

The Controller and Auditor General performed the Statutory Audit of TARURA Financial Statements for the FY 2018/19 and issued un-qualified opinion as confirmed through the Opinion Letter from the Controller and Auditor General below.

2.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chief Executive,
Tanzania Rural and Urban Roads Agency,
P. O. Box 11042,
DODOMA.

Report on the audit of financial statements for the financial year ended 30th June, 2019

Unqualified Opinion

I have audited the accompanying financial statements of Tanzania Rural and Urban Roads Agency (TARURA), which comprise of the Statement of Financial Position as at 30th June, 2019, 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 Amount 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 Tanzania Rural and Urban Roads Agency as at 30 June 2019, 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 Tanzania Rural and Urban Roads Agency 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

Management is responsible for the other information. The other information comprise of the General information of the Institution and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

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

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, except for matters explained in the following paragraphs Tanzania Rural and Urban Roads Agency 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).

1. Variations not approved by the Tender Board TZS 60,908,856

Regulation 110 (3) PPR, 2013 states that 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 shall, in every case, be referred to the appropriate tender board for approval before instructions are issued to the tenderer.

At TARURA Kigoma District Council I noted one case whereby a manager approved variations of TZS 60,908,856 instead of forwarding the variation to the tender board for approval before instructions are issued to the contractor contrary to the requirement of Regulation 110 (3) PPR, 2013

2. Procurement made out of the Annual Procurement Plan of TZS 5,801,913,559

I noted that 21 procurements amounting to TZS 5,801,913,559 which were made during the year were not in the Annual Procurement Plan as per Section 49 of PPA, 2011 requiring an entity to prepare its annual procurement plan in a rational manner and in particular to avoid emergency procurement wherever possible; aggregate its requirements wherever possible, both within the procuring entity and between procuring entities, to obtain value for money and reduce procurement costs etc

3. Failure to advertise tenders in PPRA Journal and Tender Portal

According to Regulation 19 (1) of Public Procurement Regulations, 2013 procuring entities are required to prepare a tender notice for national and international tenders and submit the same to PPRA for publication in the Journal and Tenders Portal. Contrary to the above cited Regulation at TARURA-Singida I noticed that 17 contracts worth of TZS 2,764,459,280, were not submitted to PPRA for publication in PPRA Journal and Tender Portal.

4. Irregular award of tenders

According to Sec. 47(b) of PPA, 2011 states that procuring entities shall, in the execution of their duties, strive to achieve the highest standards of equity, taking into account fairness of treatment to all parties”.

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 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 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.

My review of evaluation report and bid documents noted cases whereby some bidders were unfairly awarded tenders as follows:

- a) From review of contract No AE/092/2018-19/MBY/W/45 amounting to TZS 169,499,303 (VAT exclusive) I noted that, the bid price for selected bidder (M/s Mrere Construction Co. Ltd) was TZS 234,586,953.54 (VAT inclusive). The evaluation team performed correction of arithmetical errors which resulted into decreasing the bid price to TZS 200,009,177.54. My review of the same bid document noted that bid price was supposed to increase to TZS 234,964,953.54 (VAT inclusive). We furthermore noted that another bidder, M/s Kisengo Investment Ltd, submitted a bid price of TZS 195,981,542.25 of which after correction of arithmetical error the bid price was increased to TZS 202,332,499.75 (VAT inclusive). Based on the above analysis we believe that M/s Kisengo Investment Ltd was disqualified inappropriately as was the lowest bidder.
- b) TARURA Kilimanjaro signed contract agreement with Checotic Tanzania Ltd on 15 March 2019 for Upgrading Mwanga Town roads to Double Surface Dressing at (Maliasili-Sokoni, Kaniasani -Ujenzi and Sokoni - kwa DC at a contract sum of TZS 413,139,000. According to the preliminary evaluation, Bona & Hubert Ltd was ranked the lowest evaluated bidder (bid price TZS 368,183,000) followed by Cheotic Tanzania Ltd (bid price TZS 413,139,000). In my view, that could have been done intentionally by TARURA Kilimanjaro because when it came to knowledge of the Chief Executive he promised to appoint an independent team to make follow up on the matter and proper measures to be taken to the responsible person if proven.
- c) TARURA Kilimanjaro signed contract agreement with Build All Contractors Ltd (AE/092/2018/2019/KLI/W/42) to perform periodic Improvement of Kiriche - Mwero - Butu at a contract price of TZS 238,710,500. From my review I noted that after preliminary evaluation, M/S Aziruna Enterprises was ranked as lowest evaluated priced tenderer at a price of TZS 218,952,000 followed by Build all contractors Ltd at TZS 238,710,500. M/S Aziruna Enterprises was disqualified in post qualification because contractor had been awarded another tender No. AE/092/2018/2019/KLI/W/16. The two tenders had the same financial sources, same key personnel and same equipment. Also the turnover of TZS 186,208,826 was less than the required turnover of TZS 350,000,000. Build All Contractors Ltd was awarded a tender despite having same weaknesses used to disqualify M/S Aziruna Enterprises. For instance Build All Contractors Ltd submitted a list of key personnel which is similar with the two tenders won.
- d) My review of the procurement evaluation process for contract number AE/092/RVM/2018-2019/W/01 and contract No: AE/092/RVM/2018-2019/W/02 at Ruvuma-Songea MC noted that the two contracts were evaluated by the same evaluation committee. We further noted that M/S Almas General Supplies Co. Ltd (contract number AE/092/RVM/2018-2019/W/01), with a bid price of TZS 164,232,400 was disqualified from the evaluation process due to failure to submit the valid business license. M/s Luke Associates Ltd was awarded the tender at a price TZS 195,842,948

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making a difference of TZS 31,610,548 in comparison to the lowest bidder. Although M/S Almas General Supplies Co. Ltd was disqualified on the ground that did not submit the business license but was awarded another contract (AE/092/RVM/2018-2019/W/02) amounting to TZS 409,616,468.

5. Contract signed by a person not appointed in the power of attorney TZS 100,333,500

Regulation 9 (10) d of Public Procurement Regulation of 2013 requires a joint venture, consortium or association to appoint a lead member who shall have the authority to bind the joint venture, consortium, or association and the lead member shall at the time of contract award confirm the appointment by submission of a power of attorney to the procuring entity.

My review of contract Number AE/092/CR/2018-19/W/20 which was signed on 30 October 2018 between Chalnze DC and M/s, Becyma Quality Construction Co.Ltd for Periodic Maintenance of 5KM, Spot Improvement of 6KM, and Pipe Culverts 4NOS construction along Mkange - Gongo Road altogether amounting to TZS100,333,500. The aforementioned contract was scheduled to be implemented from 4 April 2019 to 4 July 2019 but was signed by Johnson Joas Rutabingwa on behalf of M/s Becyma Quality Construction Co. Ltd instead of Bernard Rutalemwa who was appointed in the power of Attorney.

6. Procurement made without competitive quotations TARURA at Temeke MC TZS 247,111,604

Reg. 164 (1) of the PPR, 2013 requires quotations to be obtained from at least three suppliers and may include qualified agents of foreign suppliers in Tanzania. My review of payment vouchers noted that, the Council procured goods, works and services amounting to TZS 247,111,604 without competitive quotations.

7. Loss due to inappropriate use of emergency procurement method TZS 150,377,400

According to Section 65 of the Public Procurement Act of 2011 emergency procurement may be made where the accounting officer determines that it is in the public interest that goods, works or services be procured as a matter of urgency. Emergency procurement need to meet one of the following criteria:

compelling urgency that creates threat to life, health, welfare or safety of the public by reason of major natural disaster, epidemic, riot, war, fire or such other reasons of similar nature; situation whereby, without the urgent procurement, the continued functioning of the Government or organisation would suffer irreparable loss, the preservation or protection of irreplaceable public property, or the health or safety of public will be threatened.

TARURA Head office procured 300 Point of Sale devices for cost of TZS 856,167 each amounting to TZS 256,850,100 (refer Contract No. AE/092/2018/2019/HQ/CR/01). Five months later TARURA procured another batch 2,000 devices of POS devices for the cost of TZS 354,909 each (contract No. AE/092/2018/2019/HQ/CR/25) amounting to

TZS709,818,400 I further noted that 300 Point of Sale devices were procured under emergence procurement method though they did not meet one of the criteria stipulated under Section 65 (2) of the PPA resulting into an excess payment of TZS 150,377,400 which could have been avoided. The order was raised on 27 June 2018 but the delivery was made three months later, the period which was sufficient for using NCB.

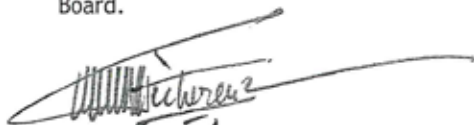
8. Re-scoping of Road Works worth TZS 2,729,310,191 and variations worth TZS 172,360,423 not Approved by Tender Board at TARURA Dar-es-Salaam

Regulation 110 (5&6) of the PPR, 2013 states that, 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 shall, in every case, be referred to the appropriate Tender Board for approval before instructions are issued to the tenderer” and “the procuring entity shall have no power to authorize additions beyond the scope of the contract without having obtained prior written approval from the Paymaster General or appropriate budgetary approving authority for additional financial authority to meet the cost of such work.

Contrary to the above cited regulations, we noted that TARURA Kinondoni Municipal Council made variations on some contracts without prior approval by the Tender Board as follows:

- a) Contract No. AE/092/2018-19/DSM/W/63 worth TZS 741, 441,540 for periodic roads maintenance along Bunju-Mbopo 10.18km and other roads. Site visits I made on 27 October 2019 I noted that 4.2km were completed. My further review of the file No. TRR/KMC/MB.13/53, noted that the Council Manager wrote to the Regional Coordinator on 26 March 2019 letter with reference TRR/KMC/MB.13/53/57 requesting approval for re-scoping of the work but no evidence was produced which shows that variation was approved by Regional Coordinator and Tender Board.
- b) Contract No. AE/092/2017-2018/KMC/CR/01 worth TZS 1,987,868,651 for periodic maintenance of Tegeta Nyuki road 2.0km to tarmac standard. I visited the project on 27 October 2019 and noted that the work executed was only 1.2km contrary to kilometers stated in the contract. We were informed by management that the work was rescaled to 1.2km due to lack of budget and there were no documents to show that the re-scoping was approved by the Tender Board.

- c) Contract No.AE/092/2017-2018/KMC/CR/01 (file number TRR/KMC/U.21/4 Vol 3) for periodic maintenance of Tegeta Nyuki road 2.0km, with original price of TZS 465,061,200 was changed to TZS 725,739,255 i.e. the project spent 56% more than the original cost implying an extra project cost of TZS 260,678,055. Management informed me that it was due to inadequate project planning and design by the consultant who failed to provide the accurate figure in the project drawings. I was not provided with documents to show that the changes were approved by the Tender Board.



Charles E. Kichere
CONTROLLER AND AUDITOR GENERAL

March, 2020

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PART FIVE: PERFORMANCE REVIEW OF TANROADS

5.0 Introduction

In accordance with Section 4 (3) of the Roads and Fuel Tolls Act, CAP 220, TANROADS receives 90% of the total funds available for maintenance and emergency repair of classified National Roads and related administrative costs. This is equivalent to 63% of the total Roads Fund budget allocation.

Before disbursement of the funds in respect of any Financial Year, TANROADS and the Roads Fund Board sign Annual Performance Agreement based on the approved Annual Plan and budget.

5.1 Maintenance Budget

During the FY 2018/19 TANROADS planned to execute roads works and related administration costs worth TZS. 567.6 billion. The breakdown of the budget is shown in **Table 5.1** below:

Table 5.1: Summary of Road Maintenance Budget for FY 2018/19

Budget Components	Amount (TZS Million)	(%)
Trunk Roads	162,669	28.66
Regional Road	289,159	50.94
Emergency Works	10,447	1.84
PMMR Projects Phase II for 9 Regions	4,343	0.77
PMMR Project Phase for BRT	3,350	0.59
Weighbridge Maintenance & Improvements	20,680	3.64
HQ Based Activities	8,486	1.50
Total Woks Component	499,134	87.93
Non- Works Components		
Administration Costs	23,523	4.14
Supervision Costs	23,918	4.21
Weighbridge Operation Costs	21,051	3.71
Total Non- works	68,492	12.07
Total Roads Fund	567,625	100

Source: TANROADS & RFB

5.2 Road network

TANROADS maintains the national road network which by 30th June 2019 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 presented in **Table 5.2** below.

Table 5.2: Roads Lengths June, 2019

Road Type		Length (km)	Total Length (km)
Trunk Roads	Paved	8,306	12,176
	Unpaved	3,870	
Regional Roads	Paved	1,756	24,082
	Unpaved	22,326	
Total		36,258	36,258

Source: MoWTC and TANROADS

5.3 The Road Network Condition

The road network condition was assessed using RMMS procedure in December, 2018. The road condition was not assessed in June 2019 due to lack of funds as there was road inventory survey which is conducted in a duration of 3-5 years. The surveyed roads in December 2018 had condition as follows: 87% in good and fair condition and 13% in poor condition. **Table 5.3 and 5.4** show national road condition between June, 2017 and December, 2018.

Table 5.3: Road Network Condition Summary as of June 2019

Road Class	Good		Fair		Poor		Total	
	(km)	%age	(km)	%age	(km)	%age	(km)	%age
Regional Paved	754	50	314	21	449	30	1,517	100
Trunk Paved	5,771	72	1,248	16	971	12	7,990	100
Regional Unpaved	3,964	19	14,327	69	2,554	12	20,845	100
Trunk Unpaved	554	22	1,703	68	243	10	2,500	100
Total Roads Network	11,043	34	17,592	53	4,217	13	32,852	100

Table 5.4: Road Network Condition Summary as of June 2018

Road Class	Good		Fair		Poor		Total	
	(km)	%age	(km)	%age	(km)	%age	(km)	%age
Regional Paved	724	56	334	26	243	18	1,301	100
Trunk Paved	5,648	79	994	14	509	7	7,151	100
Regional Unpaved	4,606	22	13,569	65	2,628	13	20,803	100
Trunk Unpaved	704	24	1,741	60	468	16	2,913	100
Total Roads Network	11,682	36	16,638	52	3,848	12	32,168	100

Figure 5.1: Trend of Road Network Condition

Activity	Unit	Physical			Financial (TZS Million)		
		Annual Plan	Cumm. Actual	% Actual	Annual Plan	Cumm. Actual	% Actual
Truck Roads Performance							
Routine & Rec. - P	km	7,995.4	7,109.3	89%	38,067.7	28,598.5	75%
Routine & Rec. - Up	km	2,796.3	2,480.2	89%	11,918.6	10,377.2	87%
Periodic mtce - P	km	297.5	307.1	103%	73,128.2	57,122.9	78%
Periodic mtce - Up	km	682.70	590.2	86%	13,584.4	12,463.6	92%
Spot Impr - P	km	20.43	18.1	88%	2,401.8	1,701.5	71%
Spot Impr.t - Up	km	62.46	65.9	106%	874.0	820.0	94%
Sub-total km		11,854.8	10,570.8	89%	139,974.7	111,083.6	79%
Bridges Preventive	Nos.	1,549	1,444	93%	2,597.4	2,184.0	84%
Bridges repairs	Nos.	84	69	82%	6,192.9	3,767.0	61%
Sub-total bridges		1,633	1,513	93%	8,790.4	5,951.0	68%
Overall Percentage				89%	148,765.1	117,034.6	79%
Regional Roads Performance							
Routine & Rec. - P	km	1,505.8	1,201.6	80%	9,162.6	6,337.1	69%
Routine & Rec. - Up	km	21,855.2	18,986.4	87%	78,486.3	58,413.2	74%
Periodic mtce - P	km	146.2	124.7	85%	46,669.1	32,088.3	69%
Periodic mtce - Up	km	4,654.3	4,124.9	89%	92,841.0	73,270.2	79%
Spot Impr - P	km	139.2	4.6	3%	1,265.8	250.4	20%
Spot Impr.t - Up	km	857.3	800.5	93%	13,765.1	10,522.2	76%
Sub-total km		29,157.9	25,242.9	87%	242,189.9	180,881.5	75%
Bridges Preventive	Nos.	1,716.0	1,584	92%	3,494.1	2,837.7	81%
Bridges repairs	Nos.	234.1	213	91%	29,446.5	21,535.7	73%
Sub-total bridges		1,950	1,797.9	92%	32,940.6	24,373.4	74%
Overall Percentage				87%	275,130.5	205,254.9	75%
Grand total				88%	423,895.6	322,289.5	76%
Summary							
Grand total for Routine & Recurrent	Km	34,152.7	29,777.6	87%	137,635.2	103,726.0	75%
Grand total for Periodic & Spot	Km	6,860.0	6,036.2	88%	244,529.4	188,239.1	77%
Grand Total for Bridges	Nos.	3,583	3,310	92%	41,731	30,324	73%
Grand total				88%	423,895.6	322,289.5	76%

Compared to the FY 2017/18 the road condition for FY 2018/19, remained almost in stable condition with improvement from poor to good or fair of only 0.1%.

Note:

- (i) The road length survey in FY 2017/18 covered only 31,893.6 km; while the balance length was not surveyed due to ongoing works.

5.4 Physical and Financial Performance

Up to 30th June 2019, a total of TZS 476.47 billion, equivalent to 84% of the total annual budget was sent to TANROADS and was spent accordingly.

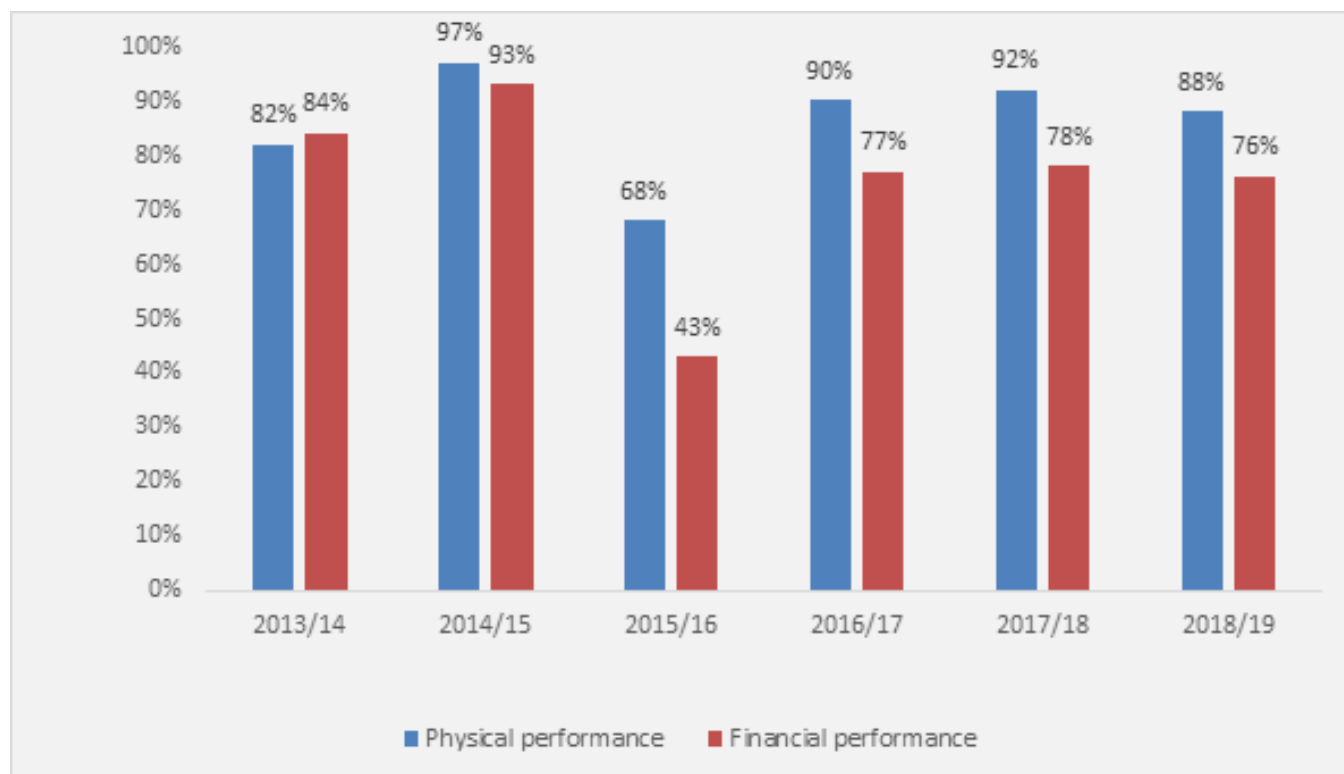
Out of the total disbursements, TANROADS spent TZS 117.03 billion on trunk roads and TZS 205.3 billion on Regional roads. Total funds spent on National roads is therefore TZS 322.3 billion equivalent to 76% of respective plan of road works which was TZS 423.9 billion. This financial performance is associated to 88% of physical work performance as detailed in **Table 5.5** below.

Table 5.5: Performance of Physical Works FY 2018/19 Programme

Activity	Unit	Physical			Financial (TZS Million)		
		Annual Plan	Cumm Actual	% Actual	Annual Plan	Cumm Actual	% Actual
Truck Roads Performance							
Routine & Rec. - P	km	7,995.4	7,109.3	89%	38,067.7	28,598.5	75%
Routine & Rec. - Up	km	2,796.3	2,480.2	89%	11,918.6	10,377.2	87%
Periodic mtce - P	km	297.5	307.1	103%	73,128.2	57,122.9	78%
Periodic mtce - Up	km	682.70	590.2	86%	13,584.4	12,463.6	92%
Spot Impr - P	km	20.43	18.1	88%	2,401.8	1,701.5	71%
Spot Impr.t - Up	km	62.46	65.9	106%	874.0	820.0	94%
Sub-total km		11,854.8	10,570.8	89%	139,974.7	111,083.6	79%
Bridges Preventive	Nos.	1,549	1,444	93%	2,597.4	2,184.0	84%
Bridges repairs	Nos.	84	69	82%	6,192.9	3,767.0	61%
Sub-total bridges		1,633	1,513	93%	8,790.4	5,951.0	68%
Overall Percentage				89%	148,765.1	117,034.6	79%
Regional Roads Performance							
Routine & Rec. - P	km	1,505.8	1,201.6	80%	9,162.6	6,337.1	69%
Routine & Rec. - Up	km	21,855.2	18,986.4	87%	78,486.3	58,413.2	74%
Periodic mtce - P	km	146.2	124.7	85%	46,669.1	32,088.3	69%
Periodic mtce - Up	km	4,654.3	4,124.9	89%	92,841.0	73,270.2	79%
Spot Impr - P	km	139.2	4.6	3%	1,265.8	250.4	20%
Spot Impr.t - Up	km	857.3	800.5	93%	13,765.1	10,522.2	76%
Sub-total km		29,157.9	25,242.9	87%	242,189.9	180,881.5	75%
Bridges Preventive	Nos.	1,716.0	1,584	92%	3,494.1	2,837.7	81%
Bridges repairs	Nos.	234.1	213	91%	29,446.5	21,535.7	73%
Sub-total bridges		1,950	1,797.9	92%	32,940.6	24,373.4	74%
Overall Percentage				87%	275,130.5	205,254.9	75%
Grand total				88%	423,895.6	322,289.5	76%
Summary							
Grand total for Routine & Recurrent	Km	34,152.7	29,777.6	87%	137,635.2	103,726.0	75%
Grand total for Periodic & Spot	Km	6,860.0	6,036.2	88%	244,529.4	188,239.1	77%
Grand Total for Bridges	Nos.	3,583	3,310	92%	41,731	30,324	73%
Grand total				88%	423,895.6	322,289.5	76%

Figure 5.2 below shows that the TANROAD's performance for FY 2018/19 was low compared to previous two years in both physical and financial aspects.

Figure 5.2: TANROADS Physical and Financial Performance



Source: TANROADS & RFB

5.5 Emergency Works

During the year under review 14 regions reported cases of emergency/urgent works caused by heavy rains. The rains caused damages to roads and bridges which led to impassability of some roads. The regions submitted requests for emergency funds which amounted to TZS 10.3billion. TANROADS executed the emergency works as per laid down procedures to ensure the roads were opened and passable. The details are as shown in **Table 5.6** below:

Table 5.6: Emergency Works Executed In FY 2018/19

		Road Section	Amount (TZS)
(i)	Arusha	TCA Jct - Namanga	663,837,500
		Kijenge - Usaliver	677,268,120
		T/Parkers - Losinyai	
		Monduli - Engaruka	
		Monduli - Lokisale	
		Mto wa Mbu - Loliondo	
(ii)	Mbeya	Kajunjumele - Kiwira Port	1,175,720,000
		Vensi - Maseshe - Mswiwi	921,040,000
		Nsonyanga - Simike	
		Ilongo - Usangu	
		Igurusi - Utengule	
(iii)	Morogoro	Mkundi Bridge	435,156,824
		Iyogwe - Chakwale - Ngilori	762,117,970
		Chanzuru - Malela	266,119,500
(iv)	Manyara	Mbuyu wa mjerumani - Mbulu	143,698,000
		Kibaya - Kibereshi	
		Losinyai - Njoro	
		Kilimapunda - Kidarafa	
		Ngarenaro - Mbulu	
(v)	DSM	Mbande - Mbagala Rangitatu	255,144,000
(vi)	Kagera	Bukoba - Biharamulo	32,000,000
		Kasharunga - Kasindaga	
(vii)	Dodoma	Mbande - Kongwa - Suguta	2,815,406,000
		Chenene - Itiso - Dosidosi	
(viii)	Iringa	Nyang'oro Escarpment along Iringa - Dodoma	206
(ix)	Lindi	Ngongo - Ruangwa Jct	227,760,000
(x)	Kigoma	Simbo - Ilagala - Kalya	38,896,045
(xi)	Rukwa	Mpete drift	98,299,000
		Mnazi box culvert	
(xii)	Njombe	Construction of Box culvert	66,537,000
(xiii)	Tanga	Kwaluguru - Kiberashi	1,124,600,000
		Kwekivu - Lyogwe	
		Manyara boarder -Handeni - Kilole Jct	
(xiv)	Ruvuma	Mtwarapachani - Lingusenguse -Nalasi	140,000,000
		Kingonsera - Kilindi - Mbaha	
(xv)	Katavi	Sitalike - Kibaoni - Kasansa	172,958,500
(xvi)	Songwe	isongole I - Isoko Road	9,850,000
(xvii)	Singida	Sekenke A bridge	237,000,000
Total			10,263,408,665

5.6 Performance-Based Management and Maintenance of Roads

The maintenance works under Performance-Based Management and Maintenance of Roads (PMMR) for FY 2018/19 was planned to be implemented in nine regions proved to have roads with good condition as shown in **Table 5.7** below.

Table 5.7: 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 - Darajani	T002	Paved	30.00	0.59	5	2.95
(ii)	Coast	Chalinze - Ngerengere	T001	Paved	35.69	0.85	5	4.25
(iii)	Geita	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

However, due to higher tender values submitted, the Contract for PMMR Phase II was awarded in two regions i.e. Rukwa and Katavi only. The contracts have 117.66 km of paved roads and 65.60 km of unpaved roads and implementation period of five and three years respectively. The details of the projects are as in table 5.7 below.

Table 5.8: Awarded PMMR Works Contracts

	Contract No.	Contractor's/Consultant's Name	Contract Name	Status
1 Rukwa	TRD/HQ/1077/2018/19	M/s Sumry's Enterprises Ltd	PMMR Project for Mkutano – Kalambazite (39.22 km); Kalambazite – Kaengesa (39.22 km) & Kaengesa – Sumbawanga (39.22 km)	The contract awarded and signed on 20 th May, 2019 at the contract amount of TZS 6,472.8million.
2 Katavi	TRD/HQ/1086/2018/19	M/s KMM (2006) Entrepreneurs Ltd	PMMR Project for Kawajense – Kosovo (33.89 km) & Kosovo – Mnyamasi JCT (31.80 km)	The contract awarded and signed on 10 th June, 2019 at the contract amount of TZS 1,873.8 million.
3 Rukwa and Katavi	TRD/HQ/1090/2018/19	M/s Inter Consult Ltd in association with M/s Mhandisi consultancy Ltd and M/s Luptan Consults Ltd	Consultancy Services for Supervision of Maintenance of Roads Under PMMR Projcts for Selected Paved and unpaved Roads in Rukwa and Katavi Regions (Lot 3).	The contract for Consultancy Services for Supervision was signed on 28 th June, 2019 at the contract sum of TZS 3,448.8 million.

Also PMMR has been employed to BRT roads whereby M/S BECCO was awarded a contract of TZS 16,095.438 million VAT exclusive for the duration of five years.

5.7 Vehicle Axle Load Control

The vehicle load control is a routine exercise undertaken by TANROADS to control vehicle overloading along national roads. Both fixed and portable weighbridges are used in the exercise. The Vehicle Load Control Programme comprises the following:

- (i) Weighing of vehicles at permanent stations and surprise checks using mobile sites;
- (ii) Repair and improvement of weighbridges; and
- (iii) Capacity building on East Africa Cooperation Vehicle Load Control Act, 2016.

In FY 2018/19, a total of 5,730,863 vehicles were weighed throughout the country at 50 fixed weigh bridges. Out of the weighed vehicles, 1,698,330 vehicles (equivalent to 29.6% of weighed vehicles) were found to be overloaded.

Of the overloaded vehicles 42,426 (equivalent to 2.5%) were found to be over loaded beyond the allowable 5% overload. The overloaded vehicles were charged accordingly generating TZS 6.4 billion.

5.8 Abnormal Load Permit

TANROADS Regional Offices collect Abnormal load Permit Fees for vehicles transporting abnormal loads within the regions. During the FY 2018/19, the regions issued abnormal load permits to transporters, and collected a total of TZS 263.6 million as Abnormal Load Permit Fees.

5.9 Future Plan on Weighbridges Management

During the period under review, TANROADS incurred a cumulative cost of TZS. 109.5 million to finance maintenance and repair of the weighbridges.

To enhance overload control, the Roads Fund continues to finance various Weighbridge projects. In FY 2018/19 various projects were at different stages as follows:-

Project	Value (TZS)	Description
Construction of Kurasini weighbridge station	9,420,363,037.8	The works contract was completed in December 2018 and the station is now operational.
Dakawa Magereza Weigh-bridge Station	14,784,337,526.9	The physical progress up as at 30 th June 2019 was 99.8 % and the station is now operational
Design, Supply and Installation of Weighbridge CCTV Management System to 13 Weigh-bridge stations,	5,164,601,500.6	The project was substantially completed on 30th April 2019 and it is under Defects Liability Period (DLP) which will end on 29th April 2020.
Construction and Installation of Weigh-in-Motion at Nala, Njuki, Wenda and Mpemba Weighbridge Stations	14,660,810,971.6	Physical progress stands at 87 % with a completion period set at 27th August, 2019

Developing and Installation of a Software Solution for Charging, Collection and Transfer the Weighbridge Overloading Fees and other Related Charges From Weighbridge Stations to a Dedicated Bank Account		The E-payment system started working on live environment in July, 2018. However, the system was interrupted with the migration to the East African Vehicle Load Control Act, 2016 in January, 2018.
Procurement of works contract for construction of Kimokouwa (Namanga) Weighbridge station in Arusha region and.		The tender has been advertised and submission deadline was on 5th August 2019.
Design of Rubana Weighbridge Station in Mara region		The contract has been submitted to AG Chambers for vetting

5.10 Road Reserve Management

Cumulatively, a total of TZS 389.8 million has been expended in road reserve management for the year. The main activity is to protect the road reserve against encroachers that involves marking of illegal structures, installing marker posts; awareness campaigns and demolition of unlawfully erected structures.

5.11 Road Safety Management

Various activities to enhance safety for road users are being carried by TANESCO regional offices. These include road marking; installation of road and information signs; construction of rumble strips; installation and replacement of guardrails; and construction of standard road humps and installation and replacement of traffic lights. TZS 570.197 million was spent for road safety management in the FY 2018/19. This amount excludes the implied costs of vandalism or damages to road furniture and structures.

Many regional offices experienced various vandalism and damages to road furniture and structures. Cumulatively, a total of TZS 585.9 million was cost implication due to vandalism and damages to road furniture and structures while TZS 241.5 million only was recovered.

5.12 Road Maintenance Management Related Systems

5.12.1 Road Maintenance Management System

TANROADS operates Road Maintenance Management System (RMMS), RoadMentor-5.4.1, which is equipped with Database for storing network data; and modules for estimation of annual budget needs for routine, periodic and spot improvement.

The model also prioritises the needs under budgetary constraints. Other modules include the Budget Split module for distribution of road maintenance budget between Regions and maintenance activities and the Contract Monitoring Module (CMM) to assist the Regional Manager's offices in the planning, monitoring of works contracts and preparation of progress reports.

The System is interfaced with Geographical Information System (GIS) which basically add the value of data and analysis results stored in the database by showing them on maps. The GIS system also produces standard maps of different themes as may be required. The System is integrated with Highway

Development and Management tool (HDM-4) such that data required for HDM-4 are prepared by RMMS and exported to HDM-4 for analysis.

During the financial year 2018/19 TANROADS implemented the following RMMS related activities:

- (i) Workshop for calibration of regional data collection survey teams;
- (ii) Procurement of technical and maintenance support from ROMDAS and supply of ROMDAS gadgets;
- (iii) Carrying out unpaved condition, traffic count and inventory surveys;
- (iv) Workshop for harmonisation of unit costs and maintenance budget analysis;
- (v) Comprehensive harmonisation of Traffic Count Stations;
- (vi) Workshop for Head of Engineering units, Maintenance Engineers and selected HQ Staff; and
- (vii) HDM4 training for RMMS Engineers from HQ and HPLs from selected Regions

5.12.2 Bridge Management System (BMS)

TANROADS operates the Bridge Management System (BMS) as a tool for keeping bridge data, planning and for implementation of bridge programmes. Operational activities of the system include data collection of the inventory data for new bridges, inspection data for existing and new bridges and data entry into the system, updating of the system to cope with current computer technologies and training of staff on its application.

The BMS is being updated and operated by TANROADS Regional Offices under supervision and monitoring of TANROADS HQ.

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 5.8** below.

Table 5.8: 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.

5.14 Auditors' Opinion on Financial Statements

The Controller and Auditor General performed the audit for the FY 2018/19 TANROADS Financial Statements. TANROADS obtained unqualified opinion as presented in the Opinion Letter from the Controller and Auditor General below.

2.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

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 30th June, 2019

Unqualified Opinion

I have audited the accompanying Financial Statements of TANROADS, which comprise the Statement of financial position as at 30th June, 2019 and the Statement of Financial Performance, the Statement of Changes in Net Assets, 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 TANROADS as at 30th June, 2019, 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 Directors' Report and the Declaration by the Head of Finance but does not include the financial statements and our auditors' 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 ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 Act 2011 (Amended 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 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, 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.


Charles E. Kichere
CONTROLLER AND AUDITOR GENERAL

31st March, 2020

National Audit Office,
Audit Hosue,
4 Ukaguzi House,
P.O. Box 950,
41104 TAMBUKARELI
DODOMA.
Tel: 255 (026) 2321759,
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Copy to: The Chief Secretary,
President office State House,
1 Julius Nyerere Road,
Chamwino,
P.O. Box 1102,
40400 DODOMA.

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

PART SIX: ANALYSIS OF PREVENTIVE 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 2018/19 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 8.1% from 70.3% in the FY 2017/18 to 78.4% in the FY 2018/19.

Better performance was observed in planning, design and tender documentation; procurement stage while moderate performance was observed in project planning, design and tender documentation, construction, and project completion and closure. However, there was drop in performance in executed works by 3.6% from 74.2% in FY 2017/18 to 70.6% in FY 2018/19.

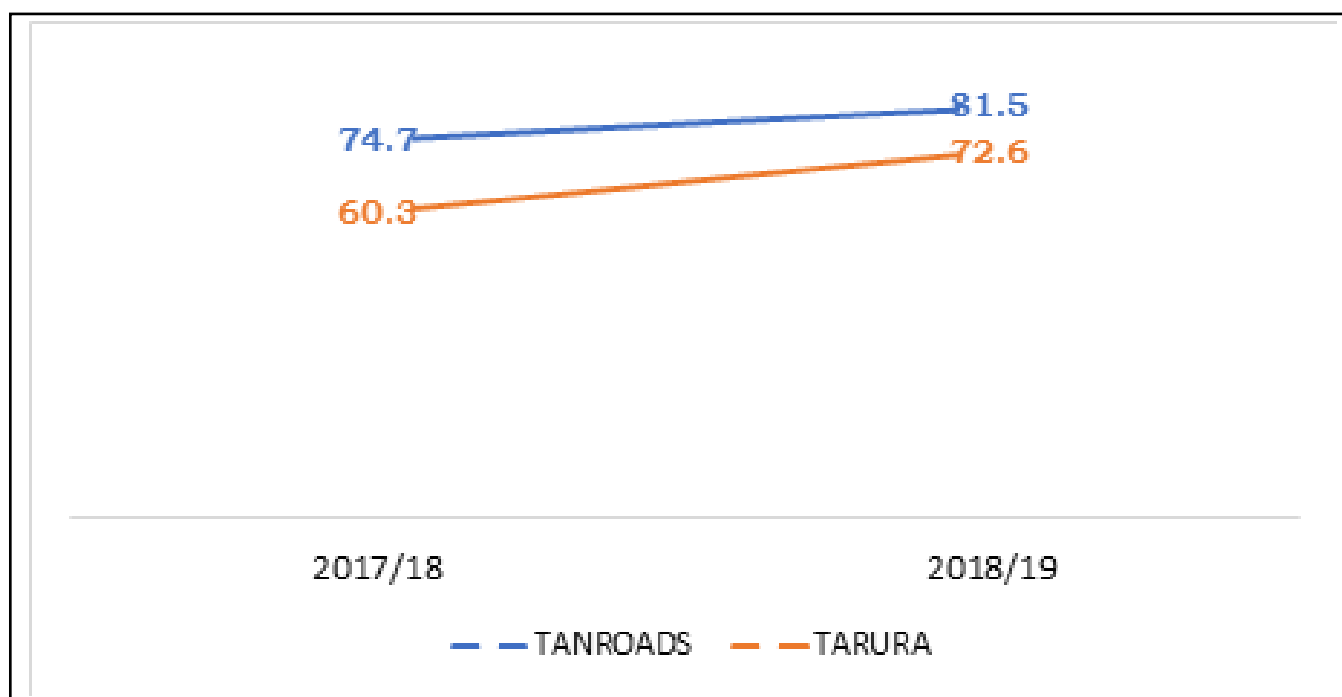
6.1.1 Stage-wise Evaluation of Implementing Agencies' Performance

6.1.1.1 Planning, Designing and Tender Documentation

TANROADS' performance in planning, designing and tender documentation increased by 6.8 percent from 74.7 percent in the FY 2017/18 to 81.5 percent in the FY 2018/19.

Whereas TARURA performance in this stage has also increased by 12.3 percent from 60.3 percent in the FY 2017/18 to 72.6 percent in the FY 2018/19 as shown in Figure 6.1 below.

Figure 6.1: Planning, Design and Tender Documentation



Source: Roads Fund Board, 2020

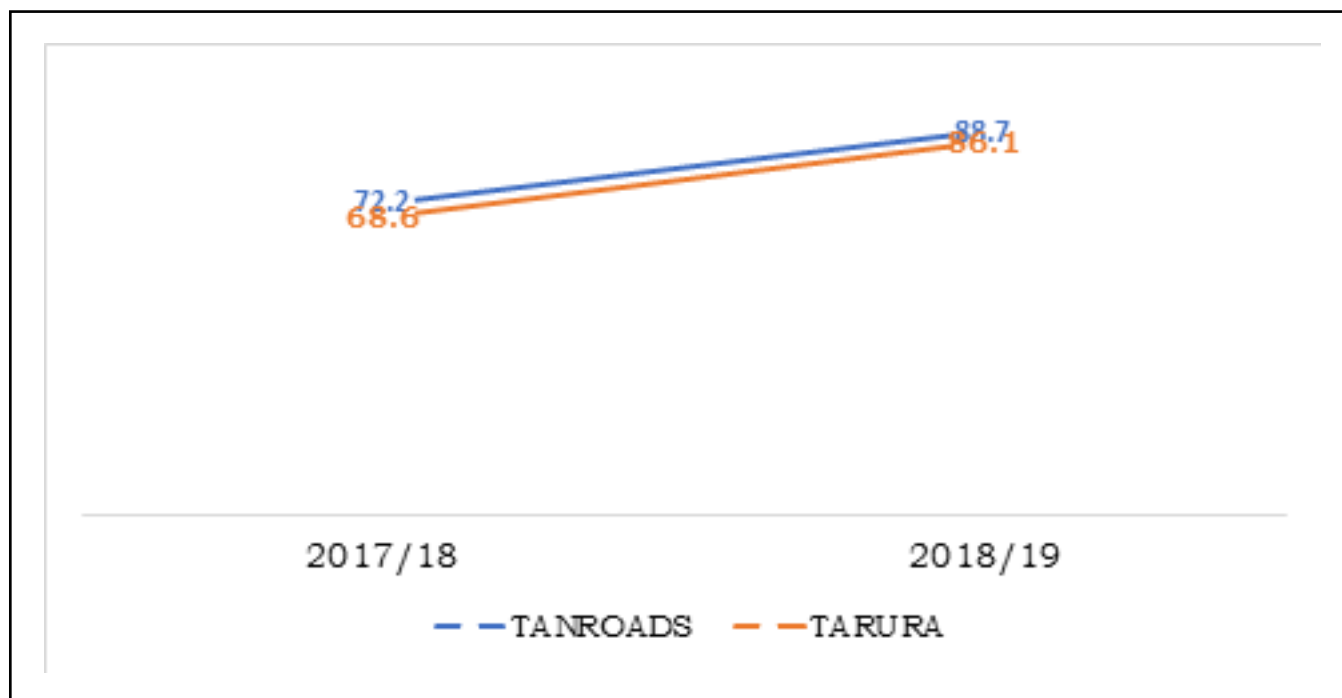
On average, both TANROADS and TARURA performance in planning, design and tender documentation increased by 9.6 percent from 67.5 percent in the FY 2017/18 to 77.1 percent in the FY 2018/19.

Performance of the Agencies improved in planning, designing and tender documentation stage. However, the performance of TANROADS decreased in four parameters namely: compliance of project planning; accuracy and completeness of design calculations and technical drawings; accuracy, appropriateness and completeness of technical specifications; and overall appropriateness of the design. TARURA performance decreased in only one parameter namely compliance of project planning, while improved its performance in other all parameters.

6.1.1.2 Procurement Stage

TANROADS performance at procurement stage increased significantly by 16.5 percent from 72.2 percent in the FY 2017/18 to 88.7 percent in the FY 2018/19. There was also a significant increase in performance for TARURA at the stage by 17.5 percent from 68.6 percent in the FY 2017/18 to 86.1 percent in the FY 2018/19.

Table 6.2: Procurement Stage



Source: Roads Fund Board, 2020

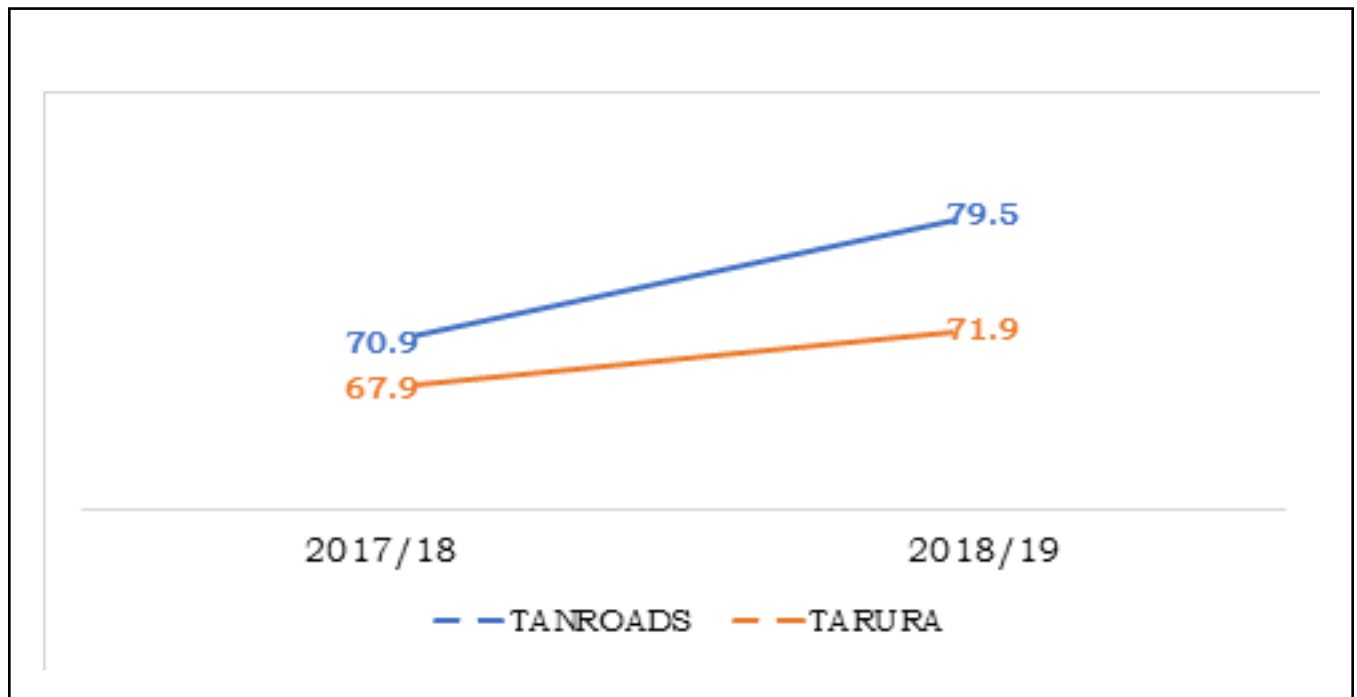
TANROADS performance increased significantly in all parameters in procurement stage. The procurement processes to larger extent complied with PPA 2011 and its regulations.

TARURA has improved its performance in all parameters except in capacity and competence of selected contractors in relation to project size and complexity.

6.1.1.3 Construction Stage

TANROADS' performance in construction stage increased by 8.6 percent from 70.9 percent in the FY 2017/18 to 79.5 percent in the FY 2018/19. Whereas TARURA performance in the stage improved by 4 percent from 67.9 percent in the FY 2017/18 to 71.9 percent in the FY 2018/19. On average, both TANROADS and TARURA performance in construction stage has improved by 6.3 percent from 69.4 percent in the FY 2017/18 to 75.7 percent in the FY 2018/19.

Figure 6.3: Construction Stage



Source: *Roads Fund Board, 2020*

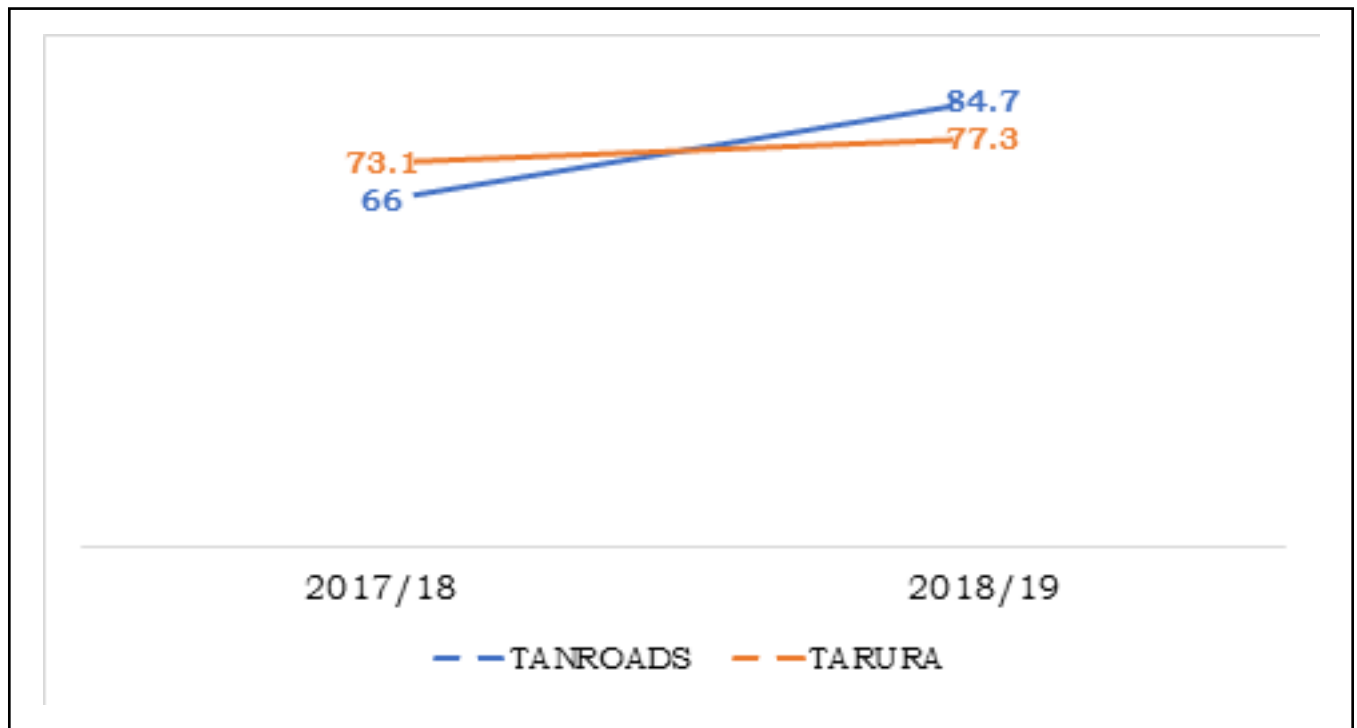
The Agencies improved their performance on: timeliness of a site possession; quality of a project program; quality of contractors’ site organization and staff; adherence to quality assurance program; quality of environmental management plan; management of contractual documents; quality and management of project documentation; and assessment.

Specifically, TANROADS improved performance on quality of quality assurance program while TARURA dropped. TARURA improved performance on: adherence to project program; and quality of supervising engineers’ site staff while TANROADS dropped. Both TANROADS and TARURA decreased their performance on assessment including assessment of validity of claims and related cost overruns.

6.1.1.4 Project Completion and Closure Stage

TANROADS’ performance in project completion and closure significantly increased by 18.7 percent from 66 percent in the FY 2017/18 to 84.7 percent in the FY 2018/19 whereas TARURA performance in this stage improved by 4.2 percent from 73.1 percent in the FY 2017/18 to 77.3 percent in the FY 2018/19.

Figure 6.4: Project Completion and Closure Stage



Source: Roads Fund Board, 2020

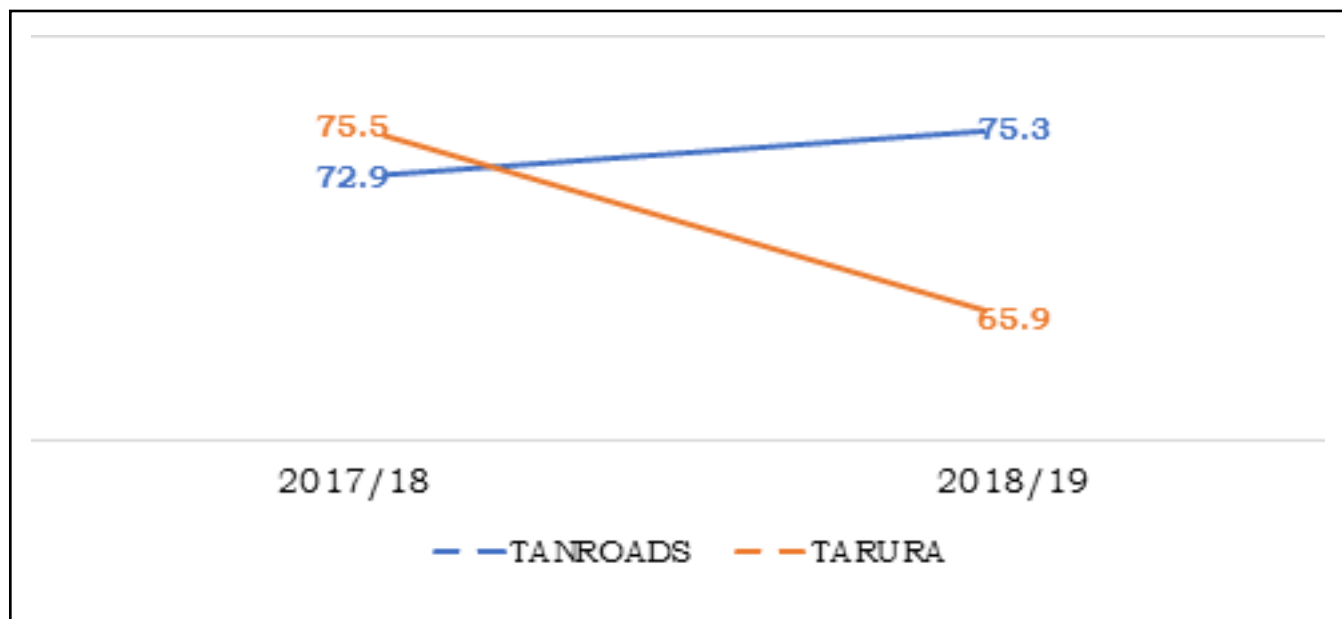
TANROADS improved its performance on all parameter except on: timely issuance of substantial completion certificate, final certificate and settlement of final account.

TARURA performance decreased on quality and completeness of as built-drawings; compilation and management of snag list; and management of the defect liability period.

6.1.1.5 Quality of Executed Works

TANROADS' performance in this stage improved by 2.4 percent from 72.9 percent in the FY 2017/18 to 75.3 percent in the FY 2018/19. On the other side, TARURA' performance in this stage has drastically dropped by 9.6 percent from 75.5 percent in the FY 2017/18 to 65.9 percent in the FY 2018/19.

Figure 6.5: Quality of Executed Works



Source: Roads Fund Board, 2020








TARURA performance drastically decreased in all parameters in quality of executed works except in compliance of site clean-up and restoration of disturbed and/or damaged areas.

TANROADS performance significantly improved in three parameters: compliance of dimension of curvet and bridge with technical drawings and specification; compliance of quality of materials used in concrete and masonry works with technical specification; and compliance of site clean-up and restoration of disturbed and/or damaged areas.

6.1.2 Overall Performance

TANROADS and TARURA performance significantly improved by 8.1 percent from 70.3 percent in the FY 2017/18 to 78.4 percent in the FY 2018/19. Improvements of performance was observed in project planning, design and tender documentation; procurement; construction; and project completion and closure stage; while there was decline of performance on quality executed works.

Table 6.1: Overall Performance of Implementing Agencies (%)

	Stages/FY	2017/18	2018/19	Average	Trend
1	Project Planning, Design and Tender Documentation	68	77.1	72.5	
2	Procurement	70.4	87.4	78.9	
3	Construction	69.4	75.7	72.6	
4	Project Completion and Closure	69.5	81	75.3	
5	Executed Works	74.2	70.6	72.4	
	Overall Performance	70.3	78.4	74.3	
	Growth in %	8.1			

Source: Roads Fund Board, 2020

Key:  - Growth

Roads Agency good performance implies there was up to 25 percent underutilization of resources allocated to the projects. The Agencies have inadequate project management and supervision in handling road projects. Also, there is limited use of computerized road maintenance systems in planning of projects in many TARURA projects. The observed deficiency in quality of executed works indicates that most of road projects did not achieved value for money as expected by stakeholders, hence there is prevailing moderate quality produced road works. This implies that there was potentially loss of about 25 percent of public funds invested for road maintenance in the country.

6.1.3 Good and Unsatisfactory Performers

There was overall performance improvement for some regions and councils in managing road projects for both TANROADS and TARURA for the FY 2018/19. However, some councils did not perform to the minimum acceptable range.

TANROADS regional offices which were good performers in FY 2018/19 were Arusha, Shinyanga, Cost, Kagera and Mwanza. There were no low performers during the year. Details of individual good performers are as shown in Table 6.2 below.

Table 6.2: TANROADS Good Performers

2017/18		2018/19	
Region	Score (%)	Region	Score (%)
Lindi	87.8	Arusha	96.5
Dar es Salaam	86.6	Shinyanga	92.6
Mbeya	80.6	Cost	88.0
Mwanza	73.1	Kagera	83.3
Manyara	73.1	Mwanza	78.6

Source: Roads Fund Board, 2019

TARURA Councils which were good performers were: Arusha CC, Bukoba MC, Shinyanga MC, Mpanda MC, Kibaha TC, Kahama TC, Chalinze DC Shinyanga DC Monduli DC Rufiji DC, Msalala DC, Meru DC, Ngorongoro DC, Kyerwa DC, Muleba DC and Biharamulo DC.

There were only two low performers, namely: Nanyamba TC (42.2%) and Newala DC (47.7%)

Table 6.3: TARURA – City Councils Good Performers

2017/18		2018/19	
City Council	Score (%)	City Council	Score (%)
Dodoma CC	79.2	Arusha CC	88.3
Mbeya CC	77.3		
Mwanza CC	77.0		

Table 6.4: TARURA – Municipal Councils Good Performers

2017/18		2018/19	
Municipal Council	Score (%)	Municipal Council	Score (%)
Lindi MC	93.8	Bukoba MC	89.4
Kinondoni MC	71.7	Shinyanga MC	86.9
Ilemela MC	71.0	Mpanda MC	72.5

Table 6.5: TARURA – Town Councils Good Performers

2017/18		2018/19	
Town Council	Score (%)	Town Council	Score (%)
Geita TC	75.7	Kibaha TC	85.9
Babati TC	72.6	Kahama TC	80.4

Table 6.5: TARURA – District Councils Good Performers

2017/18		2018/19	
Town Council	Score (%)	Town Council	Score (%)
Liwale DC	95.8	Chalinze DC	92.5
Nachingwea DC	95.8	Shinyanga DC	91.8
Lindi DC	95.6	Monduli DC	90.5
Ruangwa DC	91.1	Rufiji DC	90.0
Mvomero DC	85.8	Msalala DC	90.0
Busokelo DC	85.4	Meru DC	89.9
Kongwa DC	83.2	Ngorongoro DC	89.9
Kilwa DC	81.5	Kyerwa DC	88.7
Ludewa DC	80.3	Muleba DC	88.3
Ukerewe DC	78.2	Biharamulo DC	88.0

6.2 In-House Monitoring of Utilisation of Roads Fund

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 Board and the Implementing Agencies. The monitoring exercise provided useful information in terms of adherence to provisions of the Agreement.

6.2.1 Implemented Monitoring Activities

Eight monitoring visits were conducted in the FY 2018/19. These included normal monitoring visit in eight regions such as Ruvuma, Lindi, Katavi, Mbeya, Mwanza, Shinyanga, Dodoma, and Dar es salaam. Also, it took into account verification of emergency works, verification and follow-up of recommendations by technical auditors in Songwe, Njombe, Mbeya, Geita, Mwanza, Shinyanga, Lindi and Dar es Salaam.

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

Table 6.10:

Main issues observed and Directives

	Issue Observed	Impact	Board's Directives
	Non-provision of side drains especially on roads upgraded to bitumen standard	Premature failure of road pavement and structures.	Provide adequate drainage systems.
	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.
	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.
	Shortage of supervision vehicles.	Impaired day-to-day operations of TARURA.	PORALG and TARURA to set aside funds for procurement of vehicles.
	Leaking water pipes along carriage way.	Contributed to frequent occurrence of potholes and rapid deterioration of the roads especially in urban areas.	Engage with Water and Sewerage Authorities to address the problem to safeguard pavement life.
	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.
	Inadequate road safety facilities (road signs and zebra crossing) in some of the roads.	Endangered safety of road users.	Provide sufficient road signs.
(i) v	Insufficient provision of drainage systems in some of roads.	Premature failure of road pavement and structures.	Provide adequate drainage systems.
	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.
	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: RFB AUDITED FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR 2018/19**

ROADS FUND BOARD

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

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 period ended 30th June 2019. 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

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019


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 shown 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 2019, 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

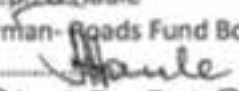
NBAA Membership No.: FCPA (T) 1168

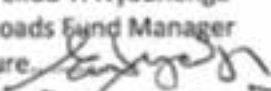
Date: 

ROADS FUND BOARD**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019****ROADS FUND BOARD****FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019****STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2019**

	<u>NOTE</u>	<u>2018/19</u> TZS'000	<u>2017/18</u> TZS'000
CURRENT ASSETS			
Cash and Cash equivalent	12	7,339,271	12,969,156
Roads Fund Receivables	13	116,194,579	111,009,010
Staff Loans & Advances	14	358,922	129,413
Other Receivables	15	721,564	184,290
-		124,614,336	124,291,869
NON CURRENT ASSETS			
Property, Plant & Equipment	16	7,698,085	6,756,088
Intangible Assets	23	58,630	30,574
		7,756,715	6,786,662
TOTAL ASSETS		132,371,051	131,078,531
CURRENT LIABILITIES			
Fund Due to Implementing Agencies	17	22,440,086	26,519,063
Other Payable	18	128,627	432,415
Other provisions and Accruals	19	3,363,507	5,558,404
TOTAL LIABILITIES		25,932,220	32,509,882
NET ASSETS		106,438,831	98,568,650
NET ASSETS/EQUITY			
Contributed Capital	20	56,843	56,843
Development Partners Support	21	99,288	99,288
Accumulated Surplus	22	106,282,700	98,412,519
TOTAL CAPITAL AND RESERVES		106,438,831	98,568,650

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

Name: Joseph O. Haule
 Title: Chairman- Roads Fund Board
 Signature: 
 Date: 21.02.2020

Name: Eliud T. Nyauhenga
 Title: Roads Fund Manager
 Signature: 
 Date: 21.02.2020

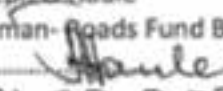
ROADS FUND BOARD
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

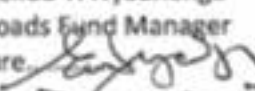
ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2019

	<u>NOTE</u>	<u>2018/19</u> <u>TZS'000</u>	<u>2017/18</u> <u>TZS'000</u>
CURRENT ASSETS			
Cash and Cash equivalent	12	7,339,271	12,969,156
Roads Fund Receivables	13	116,194,579	111,009,010
Staff Loans & Advances	14	358,922	129,413
Other Receivables	15	721,564	184,290
		124,614,336	124,291,869
NON CURRENT ASSETS			
Property, Plant & Equipment	16	7,698,085	6,756,088
Intangible Assets	23	58,630	30,574
		7,756,715	6,786,662
TOTAL ASSETS		132,371,051	131,078,531
CURRENT LIABILITIES			
Fund Due to Implementing Agencies	17	22,440,086	26,519,063
Other Payable	18	128,627	432,415
Other provisions and Accruals	19	3,363,507	5,558,404
TOTAL LIABILITIES		25,932,220	32,509,882
NET ASSETS		106,438,831	98,568,650
NET ASSETS/EQUITY			
Contributed Capital	20	56,843	56,843
Development Partners Support	21	99,288	99,288
Accumulated Surplus	22	106,282,700	98,412,519
TOTAL CAPITAL AND RESERVES		106,438,831	98,568,650

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

Name: Joseph O. Haule
 Title: Chairman- Roads Fund Board
 Signature: 
 Date: 21.02.2020

Name: Eliud T. Nyauhenga
 Title: Roads Fund Manager
 Signature: 
 Date: 21.02.2020


**ROADS FUND BOARD
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019**

**ROADS FUND BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019**

**STATEMENT OF CHANGES IN EQUITY/NET ASSETS
FOR THE YEAR ENDED 30TH JUNE 2019**

	Contributed Capital	Development Partners Support	Revaluation surplus	Accumulated Surplus	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
At 01 July 2018	56,843	99,288	0	98,412,519	98,568,650
Effects of changes in revenue recognition criteria	0	0	0	7,554,724	7,554,724
Surplus/ (deficit) for the Year	0	0	0	313,232	313,232
Prior Period Adjustment	0	0	0	2,225	2,225
At 30 June 2019	56,843	99,288	0	106,282,700	106,438,831
At 01 July 2017	56,843	99,288	290,657	76,061,156	76,507,943
Effects of changes in revenue recognition criteria	0	0	0	22,419,933	22,419,933
Surplus/ (deficit) for the Year	0	0	0	(359,227)	(359,227)
Prior Period Adjustment	0	0	(290,657)	290,657	0
At 30 June 2018	56,843	99,288	0	98,412,519	98,568,650

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

Name: Joseph Othaule
Title: Chairman - Roads Fund
Board
Signature: 
Date: 21.02.2020

Name: Eliud T. Nyauhenga
Title: Roads Fund Manager
Signature: 
Date: 21.02.2020

ROADS FUND BOARD

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

ROADS FUND BOARD

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30TH JUNE 2019

		2018/2019	2017/2018
	<u>NOTE</u>	<u>TZS '000</u>	<u>TZS '000</u>
CASH FLOW FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
Fuel levy and Transit charges		782,856,709	783,141,636
Overloading and Abnormal fees		11,398,406	15,723,027
Road Reserve Fees		4,426,385	5,102,121
USAID Funds	3	9,510,329	53,160,480
Interest Income	4	28,328	75,168
Other Income		111,122	
		<u>788,334,369</u>	<u>857,202,452</u>
<i>Payments</i>			
Payment to Employees		1,979,369	2,512,298
Payments for Good and services supplied		7,242,089	2,411,628
Board Meeting and Other Board Expenses		215,783	401,987
Payment for stakeholders, Consultancy meetings and		613,136	257,969
Loan Given to Employees		251,616	68,333
Disbursement for special roads works		16,431,619	13,250,670
Disbursement to Implementing Agencies		796,299,205	886,541,056
Disbursement in respect of DFID Funds		-	11,753,007
Disbursement in respect of EU Funds		-	32,441,340
Disbursement in respect respect of USAID Funds		9,492,027	8,847,414
		<u>792,524,826</u>	<u>958,485,900</u>
Net Cash Flow from Operations		<u>- 4,190,457</u>	<u>- 101,283,448</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Movement Schedule of Property, Plant & Equipment	16	- 1,411,371	- 506,369
Movement Schedule of Intangible Assets	23	- 28,057	-
Proceed on disposal of PPE		-	4,563
Net Cash Flow from Investing Activities		<u>- 1,439,428</u>	<u>- 501,796</u>
Net increase in cash and cash equivalents		<u>- 5,629,885</u>	<u>- 101,835,244</u>
Cash & its Equivalent at beginning of period		<u>12,969,156</u>	<u>114,804,401</u>
Cash & its Equivalent at end of period		<u>7,339,271</u>	<u>12,969,156</u>

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

Name: Joseph O. Haule

Title: Chairman-Road Fund Board

Signature:

Date:

Haule
21.02.2020

Name: Eliud T. Nyauhenga

Title: Road Fund Manager

Signature:

Date:

Eliud T. Nyauhenga
21.02.2020

ROADS FUND BOARD
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

ROADS FUND BOARD

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30TH JUNE 2019**

	NOT E	Original Budget (A) TZS '000	REALLOCATION/ ADJUSTMENTS TZS '000	Revised/Fin al Budget (A+B) TZS '000	Actual Amount (C) TZS'000	Variance: Final Budget Vs Actual TZS '000	%
OPERATING REVENUE							
Revenue from Non Exchange Transactions							
Roads Fund Operating Income	3	930,818,329	2,413,655	933,231,984	794,820,206	(138,411,778)	15
		930,818,329	2,413,655	933,231,984	794,820,206	(138,411,778)	15
Revenue from Exchange Transactions							
Interest Income	4	0	0	0	28,327	28,327	100
Other Income	5	0	0	0	172,719	172,719	100
		0	0	0	201,046	201,046	100
TOTAL OPERATING REVENUE		930,818,329	2,413,655	933,231,984	795,021,252	(138,210,732)	(15)
DISBURSEMENT TO IMPLEMENTING AGENCIES							
Tanzania National Roads Agency	6	567,625,475		567,625,475	476,468,799	91,156,676	16
Tarura	7	243,267,551		243,267,551	204,200,486	39,067,065	16
Presidents Office Regional Administration and LG	8	36,540,057		36,540,057	32,180,970	4,359,087	12
Ministry of Works	9	63,069,497		63,069,497	52,940,978	10,128,519	16
Special Allocation	10	12,500,000	2,413,655	14,913,655	14,413,655	500,000	3
Roads Fund Board Administration	11	7,815,749		7,815,749	6,948,408	867,341	11
TOTAL OPERATING EXPENDITURE		930,818,329	2,413,655	933,231,984	787,153,296	146,078,688	16
Surplus/(Deficit) for the Year		(0)	0	(0)	7,867,956	7,867,956	1

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

Name: Joseph O. Haule

Title: Chairman- Roads Fund Board

Signature

Date



21.02.2020

Name: Ellud T. Nyauhenga

Title: Roads Fund Manager

Signature

Date


21.02.2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

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, on a portion basis, 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, account payable 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
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

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 impairment losses. Cost includes 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 reducing balance method after a management review to change from straight line method of depreciation and amortization as shown here below:

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

Similarly, the Management has reviewed the economic useful life of intangible assets to be infinite instead of finite.

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 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. RFB recognizes all intangible assets as having infinite useful life and therefore attracting no amortization charges.

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.

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.

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

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

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, deputy managers and the Ministry of Works, Transport and Communication.

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 3

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

ROADS FUND BOARD

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

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, 2019.

ROADS FUND BOARD**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019**

3 – Statutory Collections	TZS'000	TZS'000
Fuel Levy	747,160,592	791,227,721
Transit Charges	22,762,230	14,989,342
Overloading Fees	9,960,669	9,990,824
Road Reserve User Fee	5,426,385	6,692,809
DFID Support Fund	0	11,871,725
EU Funds	0	32,441,340
USAID Funds	9,510,329	8,847,414
Total	794,820,205	878,061,175
<i>Roads Fund Board portion of 1% recognized as revenue from appropriations and TZS 500,000 received from special allocations.</i>	<i>7,060,594</i>	<i>6,735,018</i>

4 - Interest Income		
Disbursement Account (CRDB bank)	28,326	75,188
Total	28,326	75,188

5 - Other Income		
Rental Income	142,516	-
Service Charge	28,503	4,563
Sales of Tender Document	1,700	-
Total	172,719	4,563

Note 6 : Wages, salaries and Employee Benefits

	TZS' 000	TZS' 000
Burial Expenses	1,200	-
Casual and Temporary Labourers	5,020	18,901
Civil Servants	1,102,648	943,150
Extra duty allowance	133,340	127,848
Outfit Allowance	300	1,500
Housing allowances	28,200	33,600
Gratuity Expense	64,654	63,242
Total	1,335,362	1,188,241

Note 7 : Social Benefits

	TZS' 000	TZS' 000
Employer Contribution - LAPF	7,336	14,235
Employer Contribution - NSSF	13,207	13,479
Employer Contribution - PPF	14,414	27,883
Employer Contribution -PSSSF	39,784	-
Employer Contribution -PSPF	13,082	25,741

ROADS FUND BOARD**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019**

Employer Contribution –GEPF	2,872	-
Government Employees Provident Fund (GEPF)	0	3,358
Health Insurance	42,776	30,334
Workers Compensation Fund	2,654	-
Total	136,125	115,030

Note 8 : Supplies and Consumables Used

	30.06.2019	30.06.2018
	TZS' 000	TZS' 000
Advertisement & Publication	50,867	20,193
Air Ticket – Local	67,239	-
Air Ticket - Foreign	45,985	-
Annual subscription fees	7,809	24,286
Audit Expenses	112,440	1,456,918
Bank Charges and Commissions	8,154	5,897
Board meeting expenses	123,875	336,264
Computer accessories	5,208	9,957
Consultancy/Stakeholders Meeting	531,963	279,896
Consumer Medical Supplies	62	-
Contract based Training	17,810	-
Diesel	55,650	31,890
Director's fees	43,067	50,717
Educational Broadcasting Programme	48,496	-
Electricity	41,443	33,086
Entertainment	6,541	-
Expert Opinion	84,589	-
Food & refreshments	55,156	57,505
Fuel for Generator	0	7,662
Gift, prizes & donations	13,300	7,800
Ground Travel	147,429	-
Hiring of Motor vehicles	8,403	5,578
Honoraria	82,900	54,100
Insurance	0	198
Internet service	37,025	44,664
Leave travel	80,276	80,794
Loss on disposal of non- current asset	0	17,712
Miscellaneous (Contingency) expenses	4,397	4,372
Office cleaning	24,927	26,465
Office consumable	49,125	32,622
Operational and Consultancy Services	1,138,185	2,119,226
Outsource maintenance contract services	28,154	332,801

ROADS FUND BOARD**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019**

Per Diem - Foreign	83,267	93,952
Per Diem - Local	553,478	466,051
Per diem Board members Local	27,646	23,613
Per-Diem Board Members Foreign	21,196	13,800
Periodicals and news papers	2,595	6,372
Planning and Monitoring Expenses	488,862	623,116
Postal charges	6,929	4,355
Printing, Annual report, newsletter	12,899	30,448
Professional and Technical Training	89,994	198,024
Rent - Conference facility	25,400	11,539
Security Services	42,480	42,417
Telephone & Faxes	15,207	15,884
Tender Board Expenses	81,175	44,393
Transport - Foreign	16,191	45,844
Transport - Local	71,346	120,369
Transport allowance	270,510	283,406
Utilities	75,395	69,335
Water	18,150	10,800
Total	4,823,195	7,144,321

Note 9 : Maintenance Expenses

	30.06.2019	30.06.2018
	TZS' 000	TZS' 000
Depreciation Expense - Computer Software	0	39,586
Depreciation Expense - Motor Vehicle	142,516	87,676
Depreciation Expense - Office Buildings	106,513	93,093
Depreciation Expense - Office Equipment	160,871	309,506
Depreciation Expense - Office Furniture and Fittings	34,325	33,129
Depreciation Expense - Residential Buildings	14,977	15,601
Depreciation Expense - Residential Furniture	10,172	13,083
Property Management fees	19,142	-
Repair and Maintenance - Motor Vehicle	51,516	41,433
Repair and Maintenance - RFB Building	53,421	24,097
Repair and Maintenance- Fire Extinguisher	1,392	490
Repair and Maintenance- Technical Equipment	58,881	68,709
Total	653,726	726,403

10 - Special Allocation

Ministry of Works	3,427,969	6,502,074
PORALG	2,452,799	1,860,005

ROADS FUND BOARD**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019**

TANROADS	3,386,662	582,683
TARURA	5,146,225	8,433,671
Total	14,413,655	17,378,432
12 - Cash and Cash equivalent		
CRDB Administration Cash A/C	436,971	233,191
Azania Administration Cash A/C	-	4
BOT Disbursement Cash Account	6,816,813	12,304,710
CRDB Disbursement Cash Account	46,008	409,967
Petty Cash	1,000	1,000
CRDB Road Fund Board for Rural Development	38,479	20,283
Total	7,339,271	12,969,156
13 - Roads Fund Receivables		
BOT Road Fund A/C	63,893,811	56,773,814
Fund Receivable - RFB Administration	2,641,061	4,780,426
Road Reserve Control	1,000,000	1,590,688
TANROADS Control	1,921,211	1,072,260
TRA Fuel Levy Control	20,615,989	20,213,931
TRA Transit Charges Control	26,122,506	26,577,892
Total	116,194,579	111,009,010
14 - Staff Loans & Advances		
Imprest Control	12,595	-
Revolving Loan	338,471	121,558
Staff Loan Control	7,855	7,855
Total	358,922	129,413
15 - Other Receivables		
Prepaid Health Insurance Scheme	39,952	56,752
Prepaid Office Post Box	-	44
Prepaid Service of Office Equipment	-	1,053
Prepaid Service of Motor Vehicle Security and fuel System	4,975	5,486
Advance for Road Maintenance	413,843	-
Prepaid Annual Maintenance – Solar	1,019	2,038
Trade Debtors	132,451	-
International conference Receivable(MoWTC)	129,324	118,916
Total	721,564	184,290

**ROADS FUND BOARD
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019**

NOTE 16 :
SCHEDULE OF
PROPERTY, PLANT
AND EQUIPMENT

PARTICULARS	WIP -	LAND	OFFICE	RESIDENTIAL	MVEHICLES	OFFICE	OFFICE	OFFICE	RESIDENTIAL	FURNITURE	TOTAL
	BUILDINGS		BUILDING	BUILDING		EQUIPMENTS	FURNITURE & FITTINGS	FURNITURE			
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Cost as at 01.07.2018	-	714,900,000	4,654,641,806	780,040,800	350,703,626	825,349,455	265,034,698	104,661,200			7,696,331,587
Additions during the year	23,052,999.20	-	857,178,864	-	353,226,185	116,644,723	61,266,421	-			1,411,371,193
Disposal during the year	-	-	-	-	-	-	-	-			-
Cost as at 30.06.2019	23,052,999.20	714,900,000	5,511,820,672	780,040,800	703,929,811	941,994,178	326,301,119	104,661,200			9,106,702,760
Acc. Depreciation as at 01.07.2018	-	-	166,185,672	31,201,632	133,863,504	513,026,646	51,704,337	23,262,660			939,243,441
Depreciation charge for the year	-	-	106,512,700	14,976,783	142,516,577	160,870,700	34,324,848	10,172,319			469,373,626
Depreciation on disposal for the year	-	-	-	-	-	-	-	-			-
Acc. Depreciation as at 30.06.2019	0	-	292,698,372	46,178,415	276,380,081	673,876,345	86,029,185	33,454,969			1,408,617,367
Net Book Value as at 01.07.2018	0	714,900,000	4,488,456,136	748,839,168	216,840,122	312,343,809	213,330,361	81,378,550			6,756,088,146
Net Book Value as at 30.06.2019	23,052,999.20	714,900,000	5,219,122,300	733,862,385	427,549,730	268,117,833	240,273,934	71,206,231			7,698,085,413

**ROADS FUND BOARD
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019**

PARTICULARS	LAND		OFFICE BUILDING		RESIDENTIAL BUILDING		MVEHICLES		OFFICE EQUIPMENTS		OFFICE FURN & FITTINGS		RESIDENTIAL FURNITURE		TOTAL	
	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.
Cost as at 01.07.2017	714,900,000	4,531,818,000	760,040,800	184,750,390	557,016,400	156,592,000	81,600,000	7,008,517,590								
Additions during the year	-	123,023,808	-	165,953,236	282,683,855	116,434,698	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	4,654,841,808	760,040,800	350,703,626	825,349,455	265,034,698	104,661,200	7,695,331,587								
Acc. Depreciation as at 01.07.2017		87,499,274	14,943,571	375,877,874	431,100,584	304,685,254	9,901,250	1,263,807,807								
Adjustment on Depreciation to cater for Revaluation		5,593,562	657,245	329,490,277	222,219,434	344,861,254	298,750	800,021,406								
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	303,786,400								
Depreciation charge for the year	-	93,092,836	15,600,816	87,675,906	309,506,046	33,129,337	13,082,650	552,087,591								
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	909,243,441								
Net Book Value as at 01.07.2017	714,900,000	4,444,118,726	765,097,229	190,927,484	125,915,816	206,093,254	71,698,750	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**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019****17 - Fund Due to Implementing Agencies**

	30.06.2019	30.06.2018
	TZS'000	TZS'000
Funds Due- MOWTC	969,647	5,645,613
Funds Due -RFB Administration	3,611,237	5,798,869
Funds Due – TARURA	2,523,440	2,948,107
Funds Due -TANROADS	11,126,826	11,126,826
Funds Due-PORALG	4,208,935	999,647
Total	22,440,085	26,519,062

18 - Other Payables

Creditors	51,927	55,680
Rental Prepaid	19,246	-
Service charge Prepaid	3,849	-
MOWTC - Road Classification Costs	-	359,361
Contribution to social schemes	1,631	-
Security Deposit	24,693	-
Staff Gratuity Payable	16,272	3,864
W/ Tax on RFB Staff salary	-	378
VAT	6,236	-
Withholding Tax	4,773	13,133
Total	128,627	432,415

19 - Other provisions and Accruals

IFMIS Support	10,856	1,982
TTCL Bills	4,579	4,359
TPA Link	88	1,256
Audit Expenses	955,000	1,520,901
Advertising	17,226	52,383
Annual Report Printing Expenses	643	39,999
Security	-	4,720
Food and Refreshment	-	1,985
Travelling on Duty	-	4,504
Consultancy Service	2,322,231	3,888,883
Training Expenses	7,066	28,353
Land rent Expense	2,500	2,500
Electricity	3,878	2,235
Stationery	-	2,994
Staff Remuneration	2,460	0
Newspapers and Periodicals	-	347
Postal Charges	560	0
Service of Technical Equipment	-	1003
Documentary	36,421	0
Total	3,363,507	5,558,404

Note 20: Contributed Capital

Net Assets from Ministry responsible for Road as start of RFB	56,843	56,843
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ROADS FUND BOARD
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

	30.06.2019	30.06.2018
	TZS'000	TZS'000
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 : Accumulated Surplus		
Add: Prior period adjustment	2,225	8,096,529
Add: Surplus/(Deficit)for the year	313,232	-359,227
Add : Effects of changes in the revenue recognition criteria	7,554,724	22,419,933
Opening balance as at beginning of the financial year	98,412,520	68,255,284
Closing Balance	106,282,701	98,412,520

ROADS FUND BOARD

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

Note no. 23: Intangible Assets

INTANGIBLE ASSETS						
DESCRIPTION	EPICOR	IBM	RFB	VM		
	TZS'000	SPSS	MIS	Ware	OTHERS	TOTAL
% OF AMORTIZATION	-	-	-	-	-	-
Cost valuation as 1st July 2018	7,200	11,100	41,438	8,900	36,924	105,562
Additions during the year	28,057					28,057
Disposal during the year						
Cost as at 30th June 2019	35,257	11,100	41,438	8,900	36,924	133,619
Accumulated Amortization as at 1st July 2018	5,400	8,326	31,078	6,676	23,509	74,989
Amortization for the year	-	-	-	-	-	-
Amortization on disposal for the year	-	-	-	-	-	-
Accumulated Amortization as at 30th June 2019	5,400	8,326	31,078	6,676	23,509	74,989
Carrying amount as at 30th June 2018	1,800	2,774	10,360	2,224	13,415	30,573
Carrying amount as at 30th June 2019	29,857	2,774	10,360	2,224	13,415	58,630

Intangible Asset FY 2017/18

Description	EPICOR	IBM	RFB	WNWAR		
	TZS'000	SPSS	MISS	E	OTHERS	TOTAL
	TZS'000	TZS'000	TZS'000	SPHERE	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	11,106	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	13,415	30,573
Carrying amounts at at 30.06.2017	27	- 6	4,209	- 4	21,593	25,819

Annex 2: Trunk Roads Projects and Activities funded by Roads Fund in 2018/19

Annex 2: Trunk Roads Projects and Activities funded by Roads Fund in 2018/19

	Project Name	Annual Plan	Achievement	Remarks
1	Feasibility Study, Detailed Engineering Design and Preparation for Tender Documents for the Upgrading of Kyaka - Bugene - Kasulo / Benako Road, Bugene - Kasulo / Benako Section to Bitumen Standard	completion to revised Feasibility Study and updated detailed Engineering Design Reports for AfDB financing		The Consultant executed the assignment and submitted Draft Feasibility Report which was reviewed and commented on
2	Review and Preparation of Standards and Specifications	To finalize the assignment by submission of the Final Bridge Specification.	Report submitted to Ministry of Works, Transport and Communication reviewed and sent to TANROADS	Ongoing
3	Handeni-Kiberashi- Kijungu – Kibaya – Njoro – Olboloti – Mrijo Chini – Dalai – Bicha – Chambalo – Chemba – Kwa Mtoro – Singida road (FS & DD)	Completion to payments of Outstanding Invoices	100%	Review of the claims was completed
4	Consultancy Service for Feasibility Study and Detailed Design of Musoma-Makojo-Busekela road	Preparations of Works	100%	Preparation of works continued as planned
5	Consultancy Service for Feasibility Study and Detailed Design of Kolandoto – Lalago – Mwanhuzi – Matala - Oldeani Junction road	Completion outstanding payment	100%	Outstanding payment to the Consultant has been cleared and the project is closed
6	Consultancy Service for Feasibility Study and Detailed Design of Karatu – Mbulu – Haydom – Sibiti River – Lalago – Maswa road (FS)	Completion to final feasibility study reports	75%	The Draft Final Feasibility and Preliminary design Report has been submitted
7	Consultancy Services for Feasibility Study and Detailed Design of Isyonje – Kikondo – Makete road (96.2km)	Completion to Final detailed Engineering Design Reports	70%	The Final Detailed Report was received as planned
8	Central Materials Laboratory (CML) – Enhancement of Testing of Construction Materials through introduction of modern technology performance based appropriate asphalt mix design guideline and improvement of CML infrastructure and other facilities	Completion of the Guideline Report	85%	Interim Design manual for asphalt Hot - Mix was completed and training conducted to Engineers and Technicians from 26 Regions and CML staffs
9	Monitoring of Roads and Bridge Projects, Maintenance of Supervision Vehicles, fuel and Other Roads Related activities (MoWTC)	Number of Projects monitored and vehicle maintained.	Monitoring has been conducted in 26 Regions namely: Dodoma, Manyara, Dar es Salaam, Njombe, Mbeya, Songwe, Rukwa, Lindi, Mtwara, Ruvuma, Mwanza, Kagera, Geita, Katavi, Tabora, Simiyu, Shinyanga, Tanga, Kilimanjaro, Mara, Coast, Kigoma, Tanga, Morogoro, Iringa and Arusha	On-going
10	Consultancy Service for Feasibility Study and Detailed Design of Nyamirembe Port-Katoke	Completion to final design report	100%	Final Detailed Engineering Design report was submitted
11	Consultancy Service for Feasibility Study and Detailed Design of Escape for Long Steep Grades and Climbing Lanes along Major Trunk Roads	Completion to Draft Final Feasibility Study Report		The Consultant for the Services was not Procured. Preparation of Terms of Reference for the assignment is ongoing on all major trunk roads
12	Computer Software for Design of Road Projects and Highway/Transportation Planning	Completion to Additional of 4 License Keys for MIDAS Software and Training of 10 Staff		Procurement process was in progress
13	Feasibility Study, Detailed Engineering Design and Preparation of Tender Documents for Construction of Kigongo/ Busisi Bridge along Usagara – Geita Road	Completion to Final Design Detailed Engineering Design Report	100%	Completed
14	Feasibility Study and Detailed Design of Mpanda – Ugalla – Kaliua – Ulyankulu – Kahama (457 km)	Completion to Draft Feasibility Study Report		Procurement process for engaging the Consultant for Feasibility Study was on progress
15	Capacity Building in Construction Industry (Including Harmonisation of Activities being Carried out by MWTI and ATTI)	Finalize the Establishment Procedure for Accreditation of the Institute and Create Awareness	90%	Preparation of Concept Note for the Establishment of Institute of Construction Technology (ICoT) to be submitted at IMTC (Inter Ministerial Technical Committee) and Preparation of Curricula for Submission to NACTE is Completed. Preparation of Bridging Course Curriculum for Graduates Engineers is ongoing
16	Consultancy Service for Feasibility Study and Detailed Design of Ipole – Rungwa (km 172)	Completion to Final Detailed Engineering Design Report	100%	Completed
17	Feasibility Study, Detailed Engineering Design and Preparation of Tender Documents for Upgrading of Mtwara Pachani – Lusewa – Lingusenguse - Nalasi to bitumen standard	Completion to Final Detailed Engineering Design Report	50%	Final Design Report was not submitted. Consultant executed the assignment upto Final Feasibility study
18	Advance Payments and Land Acquisition for Development Projects		Annually	In progress
19	Consultancy Service for Feasibility Study and Detailed Design of Arusha – Kibaya – Kongwa	Completion to Final Feasibility Report	70%	Consultant executed the assignment upto submission Final Feasibility Report

20	Feasibility Study, Detailed Engineering Design and Preparation of Tender Documents for upgrading of Kibada – Tundwisongani/Kimbiji Junction - Kimbiji to bitumen standard	Completion to Final Detailed Engineering Design Report	100%	Final Detailed Engineering Design Report and Tender Document were submitted and reviewed
21	Feasibility Study, Detailed Engineering Design and Preparation of Tender Documents for upgrading of Chekeni Mwasonga – Kimbiji/ Tundwisongani Junction to bitumen standard	Completion to Final Detailed Engineering Design Report	100%	Final Detailed Engineering Design Report and Tender Document were submitted and reviewed
22	Feasibility Study, Detailed Engineering Design and Preparation of Tender Documents for upgrading of Nanganga – Ruangwa – Nachingwea road to bitumen standard	Completion to Final Detailed Engineering Design Report	100%	Completed
23	Construction of Mlakuwa Bridge	Facilitation of works to completion of Bridge Construction		Completed
24	Facilitation and supervision of road projects (TANROADS)	Supervision of the project	100%	Ongoing
25	Feasibility Study, Detailed engineering design and preparation of tender documents for Improvement of the Kitonga Escarpment road section	Completion to Draft Final Feasibility Study Report		Under Procurement
26	Feasibility Study, Detailed engineering design and preparation of tender documents for Upgrading of Shabiby - Arusha road Roundabout (Dodoma)	Completion to Final Detailed Engineering Design Report	45%	Draft final feasibility study reports have been submitted and is under review by TANROADS
27	Feasibility Study, Detailed engineering design and preparation of tender documents for Upgrading of Chimwaga – Chinyoya - Kikuyu Road	Completion to Final Detailed Engineering Design Report	45%	Draft final feasibility study reports have been submitted and is under review by TANROADS
28	Feasibility Study, Detailed engineering design and preparation of tender documents for Upgrading of Dar es Salaam Road (Nanene) – Miyuji (Arusha Road) – Mkonze to bitumen standard	Completion to Final Detailed Engineering Design Report	75%	The Final Design Report has submitted the for review
29	Feasibility Study, Detailed engineering design and preparation of tender documents for Upgrading of Emaus – Mlimwa – Wajenzi to bitumen standard	Completion to Final Detailed Engineering Design Report	45%	Draft final feasibility study reports have been submitted and is under review by TANROADS
30	Feasibility Study, Detailed engineering design and preparation of tender documents for Upgrading of Dodoma Outer Ring Road or Dodoma Bypass (Mtumba – Veyula – Nala – Matumbulu – Mtumba)	Completion to Final Detailed Engineering Design Report	100%	Final Detailed Engineering Report and Tender Documents were submitted.
31	Detailed Design of Ngaresh - Enguik (Monduli Juu) road	Completion to Final Detailed Engineering Design Report	75%	The Final Design Report has submitted the for review
32	Detailed Investigation for Rehabilitation of Kibagwa flood plain along Morogoro - Dodoma road	Completion to Final Detailed Engineering Design Report	-	Under Procurement
33	Detailed investigation and evaluating long term solution for flood prone at Mkundi Bridge along Morogoro - Dodoma	Completion to Final Detailed Engineering Design Report	-	Procurement process was in Progress
34	Feasibility Study and Detailed Design for Upgrading of Dareda - Dongobesh road	Completion to Inception Report	-	Procurement process was in Progress
35	Feasibility Study and Detailed Design for Upgrading of Soni - Bumbuli - Dindira - Korogwe road	Completion to Inception Report	-	Procurement process for the remaining 56 km is ongoing and comments for Draft Final Detailed Engineering Design Report and Tender Documents for 21.7 km were submitted to the Consultant
36	FS & DD of Kibaoni - Majimoto - Inyonga road	Completion to Inception Report	-	Procurement process was in Progress
37	FS & DD of Kiranjeranje - Namichiga - Ruangwa	Completion to Inception Report	15%	The Inception Report was submitted
38	FS & DD of Masaninga - Matandu - Nangurukuru - Kilwa Masoko road	Completion to Inception Report	15%	The Inception Report was submitted
39	FS & DD of Lake Tanganyika Roads under Lake Tanganyika Transport Programme - LTTP	Completion to Inception Report	-	Procurement of Design Consultant is awaiting for IDA No Objection
40	FS & DD of Lake Victoria Roads under Lake Victoria Transport Programme - LVTP	Completion to Inception Report	-	Procurement of Design Consultant is awaiting for IDA No Objection
41	FS & DD of Sabasaba - Sepuka - Ndago - Kizaga Roads	Completion to Inception report	-	Procurement of Design Consultant is ongoing
42	FS & DD of Singida Urban - Ilongero - Haydom road	Completion to Inception report	-	Procurement of Design Consultant is ongoing
43	FS & DD of Lower Mpiji Bridge and its approaches roads (1.7 Km)	Completion to Inception Report	-	No Report received, it was decided to carry out the assignment using in - house capacity

Annex 3: Regional Roads Projects and Activities Funded through the Roads Fund Budget in 2018/19

Annex 3: Regional Roads Projects and Activities Funded through the Roads Fund Budget in 2018/19

Project Description	Target [(km) / No. of bridges]	Status on Achievement of Physical Targets			Status on Achievement of Financial Targets				Remarks
		Planned	Status	% completed	Budget (TZS Mio)	Released (TZS Mio)	Expenditure (TZS Mio)	% Spent	
Arusha									
Rehab. Longido - Kitumbeine - Lengai (Kitumbeine - OI)	3.7	0	0	0	120	99.55	0	0	Works in progress
Rehab. KIA-Majengo-along KIA-Mererani road	3.1	0.6	0	0	100	82.96	0	0	Funds reallocated to Kijenge - Usa River project which is under Construction
Tengeru Jct - Cairo (Mererani) Road	3.1	1.1	3	97%	100	82.96	102.77	135%	Funds used to pay outstanding debt for FY 2017/18 rolled over fund. Works completed
Construction of box culvert along Nelson Mandela - AIST	100%	25%	0	0%	100	82.96	0	0%	Design completed - awaiting for allocation of funds
Upgrading of DSD Kijenge - USA river	0.4	0	0.4	100%	200	165.92	0	0%	Completed
Coast									
Reha. Pugu - Kisarawe - Masaki - Msanga - Chole - Vikumburu Road (Maneromango - Vikumburu section-36km)	3.7	0.7	2	54%	120	98.66	58.84	65%	Works in progress
Rehab Kiparang'anda - Nyamalile - Kibululu rd	2.8	0.8	2	71%	90	74.66	27.29	40%	Works in progress
Rehab.Makofia-Mlandizi-Maneromango (Mlandizi-Maneromango section 36km)	0.2	0.2	0.13	65%	100	82.96	71.64	94%	Substantially Completed
Upgrading of TAMCO-Vikawe-Mapi nga Road (21.9km)	0.2	0	0	0%	100	82.96	0	0	Works in progress
Rehab.Ikwiriri-Mloka-Vikumburu (Vikumburu-Mtanza Junction)	3.1	1.1	0.2	6%	99	82.01	6.04	8%	Works in progress
Rehabilitation of Utete - Nyamwage road (32km)	4.7	0.7	4.7	100%	150	123.55	71.4	63%	Completed
Upgrading to DSD Bagamoyo Township Roads	0.5	0.5	0	0%	250	205.63	0	0	Contract submitted for VAT Exemption
Rehab. Kibiti - Bungu Nyamisati	1.9	1.9	0	0%	60	49.78	0	0	Works in progress
Dar es Salaam									
Upgrading Chanika - Mbande Road (Otta seal) 29.6km	0.4	0.4	0.41	103%	200	456.29	161.8	39%	Completed
Rehab. Uhuru road (1 km)	1.1	0	1.44	131%	550	165.92	335.22	220%	Funds used to pay outstanding debt for FY 2017/18 rolled over fund. Works completed
Upgrading of Boko - Mbweni road to DSD -6.9km	0.4	0	0.41	103%	200	165.92	142.13	93%	Completed
Upgrading to DSD Feri - Tungi Kibada road	0.4	0	0.41	103%	200	165.92	142.13	93%	Completed
Dodoma									
Rehab. Izava - Dosidosi road (15km)	4.7	0.7	3.5	74%	150	124.44	110.862	97%	Works on progress
Upgrading of Mbande-Kongwa Junction-Mpwapwa(50km) to Paved standard	1	0.3	0.3	30%	500	414.8	500	131%	Works is in progress and Rolled over fund used to pay outstanding debt for FY 2017/18 Works completed
Start Construction of Gulwe Bridge along Mpwapwa-Gulwe-Kibakwe-Chipogoro Road	100%	30%	0.1	10%	400	331.84	138.39	45.40%	Completed
Construction of Baura Bridge and its approaches	100%	30%	10	1000%	180	149.33	0	0.00%	Works in progress
Rehab.Gubali-Haubi	3.7	0.7	2.75	74%	120	99.55	103.542	113.10%	Works in progress
Rehab.Hogoro-Jct-Kibaya	2.5	0.5	2	80%	80	66.37	110.983	181.90%	Works in progress
Upgrading to DSD of Kondoa Township road	0.1	0.1	0	0%	40	33.18	0	0.00%	Under procurement
Rehab. Of Mbande - Kongwa - Suguuta (Ugogoni - Sunguta section)	1.9	0	0	0%	60	49.78	0	0.00%	Works in progress
Upgrading to DSD od Ihumwa - Hombolo - Gawaye	0.1	0.1	0	0%	50	41.48	0	0.00%	Under procurement

Geita										
Rehab. Chibingo – Bukondo road – 37km	2.8	0	2	71%	90	74.66	0	0.00%	Works in progress	
Rehab. of Geita – Nkome Mchangani – 13km	2.8	0	4	143%	90	74.66	60.4	88%	Works in progress	
Rehab. of Geita – Nyarugusu – Bukoli–52.85km	2.8	0.8	4	143%	90	74.66	52.64	77%	Works in progress	
Upgrading to DSD Mkuyuni road	0.4	0	0.3	75%	200	165.92	289	189%	Funds used to pay outstanding debt for FY 2017/18 . Works on progress	
Rehab. Muganza–Kasenda	0.2	0	1	500%	100	82.96	600.78	788%	Funds used to pay outstanding debt for FY 2017/18 rolled over fund. Works completed	
Rehab. Kibehe–Kikumbaitale	2.8	0.8	1.5	54%	90	74.66	22.22	32%	Works in progress	
DSD upgrading Geita township roads	0.4	0.1	0.3	75%	200	165.92	188.37	123%	Funds used to pay outstanding of fy 2017-18 works in ongoing	
Rehab. Bwina road	2.8	0.8	0	0%	90	74.66	0	0	Works in progress	
Ludeba bridge along Munekezi – Ludeba – Masonga road.	100%	30%	0	0%	100	82.96	0	0	Under Procurement	
Rehab. Itare – Katende road (11km)	1.9	0	3	158%	60	49.78	0	0	Works in progress	
Rehab. Ipalamasa – Mbogwe – Masumbwe	6.2	1.2	0	0%	200	165.92	0	0	Works in progress	
Rehab. Chato-Rubangagwe	6.5	1.5	0	0%	210	174.22	0	0	Under Procurement	
Rehab. Majengo - Kalema - Gatini (Majengo – Gatini Section)	1.9	0.9	0	0%	60	49.78	0	0	Works in progress	
Rehab. Mipogoloni - Nakasagala road	1.9	0	0	0%	60	49.78	0	0	Works in progress	
Iringa										
Rehab. Nyololo – Igowole – Kibao – Mtwango – Mlololo	3.1	1.1	1	32%	100	82.96	0	0	Works in progress	
Upgrading of Iringa – Msembe (Kalenga jct – Ipamba Hospital)	0.4	0	0.4	100%	200	165.92	0	0	Works completed	
Rehab. Nyololo – Kibao	3.7	0	1	27%	120	99.55	0	0	Works in progress	
Rehab. Ilula – Kilolo	6.2	1.2	3.15	51%	200	165.92	39.18	26%	Works in progress	
Kagera										
Rehab. Kajai Swamp along Katoma – Bukwali road (1.5km)	5.6	0	0	0%	180	149.33	0	0	Works in progress	
Rehab. Muhutwe – Kamachumu – Muleba	9.3	0	0	0%	300	248.88	0	0	Works in progress	
Rehab. Bugene – Kaisho – Murongo (Rwabununka Escarpment)	6.2	2.2	0	0%	200	165.92	0	0	Works in progress	
Upgrading to DSD of Muleba-Kanyambogo-Rubya road	1	0	0	0%	500	414.8	0	0	Works in progress	
FS&DD of Kitengule Bridge	100.00%	25%	25%	25%	100	82.96	0	0	Works in progress	
Rehab. Nyakahanga -Nyabiyonza Nyakakika	4.7	2.5	4	85%	150	124.44	106.39	93%	Works in progress	
Rehab. Nyakahanga -Nyabiyonza Nyakakika	0.4	0	0	0%	180	150.32	0	0	Under Procurement	
Katavi										
Rehab. Mamba – Kasansa(18Km)	2.8	0	1.6	57%	90	74.66	0	0	Works in progress	
Rehab. Mpanda – Ugalla road(74Km)	2.8	0.8	2	71%	90	74.66	0	0	Works in progress	
Rehab. Mnyamasi – Ugalla	1.9	0	2	105%	60	49.78	0	0	Works in progress	
Rehab. Inyonga – Majimoto (135km)	5.3	1.3	4	75%	170	141.03	112.005	86%	Works in progress	
Kibaoni – Majimoto – Kasanza	2.8	0	2	71%	90	74.66	0	0	Works in progress	
Rehab. Kibo - Mwese	4.7	0	3	64%	150	124.44	34.04	30%	Works in progress	
Rehab. Inyonga-Ilunde	3.3	0	2	61%	105	87.11	0	0	Works in progress	
Rehab. Kagwira-Karema	3.3	0.8	1.2	36%	105	87.11	0	0	Works in progress	
Rehab. Uzega - Kamsisi - Mapili	0.9	0	1.2	133%	30	24.89	27.719	121%	Works in progress	
Kigoma										
bridge Major repair on Simbo - Ilagala - Kalya road	100%	10%	30%	0%	300	248.88	85.74	37%	Works in progress	
Rehab. Kakonko – Nyaronga – Ngara Border	6.5	1.5	2	31%	210	174.22	143	89%	Completed	
Construction of Lwegele bridge along Simbo - Ilagala - Kalya road	1	25%	0	0%	130	107.85	0	0	Budget accumulated to meet procurement requirement	
Opening of Simbo-Kalya road	1.9	0	0	0%	60	49.78	0	0	Works in progress	
Bridge major repair along Kisili - Buhigwe road	100%	25%	100%	0%	30	24.89	15.91	70%	Completed	
Bridge major repair along Kakonko - Nyaronga road	100%	25%	100%	0%	30	24.89	15.56	68%	Completed	

Kilimanjaro									
Upgrading to DSD Mwanga-Kiweni Vuchama/Lomwe Road	1.5	0	0	0%	750	622.21	0	0	completed, funds to be used to setting outstanding payment
Rehab.Mwembe-Myamba-Ndungu	3.7	0	0.5	14%	120	99.55	0	0	Works in progress
Upgrading of Same – Kisiwani – Mkomazi to DSD	0.2	0	0	0%	90	74.66	0	0	Omitted/Rescored works
Upgrading of Makanya – Suji road to DSD (14km)	1.2	0	0	0%	600	497.77	0	0	Works in progress
Upgrading of Masama-Machame Jct	0.6	0	0.01	2%	300	248.88	0	0	Works in progress
Rehab of Mandaka - Kilema hospital road	6.9	0.9	0.35	5%	220	182.51	0	0	Works in progress
Rehab. Kifaru - Handeni - Lang'ata road	1.6	0	0.5	31%	50	41.48	0	0	Works in progress
Rehab. Rau - Uru - Shimbwe road	0.2	0.2	0.08	40%	80	66.37	0	0	Works in progress
Lindi									
Rehab. Nanjilnji – Kiranjeranje - Namichiga	2.8	0	0	0%	90	74.66	0	0	Works in progress
Rehab. Nangurukuru – Liwale road	3.7	2	3.7	100%	120	99.55	0	0	Completed but payment under process
Rehab. Nachingwea-Lukuledi road	2.8	0	2.8	100%	90	74.66	0	0	Completed
Upgrading to DSD Ruangwa township roads	1	0	0	0%	500	414.8	0	0	funds reallocated for street lights
Construction of Lukuledi bridge along Luchelengwa – Ndanda road	25%	0%	25	0%	100	82.96	100	121%	Completed
Manyara									
Construction of Babati – Orkesumet/Kibaya (new access road)	0.5	0	0.1	20%	250	207.4	0	0	Works in progress
Rehab Kibaya – Kibereshi road	4.1	0	4.1	100%	130	107.85	0	0	Completed
Rehab. Nangwa – Gisambang – Kondoa Border.	4.7	0.2	4.7	100%	150	124.44	0	0	Completed
Rehab Mogitu – Hydom	4.7	0.2	4.7	100%	150	124.44	125.08	109%	Works is completed and Rolled over fund used to pay outstanding debt for FY 2017/18 Works completed
Rehab. Magara Escarpment (concrete pavement)- Shifted to Design of Magara Bridge	0.4	0	0.1	25%	200	165.92	0	0	Works in progress
Babati - Kiru - Mbulu 2 (Rigid Pavement Construction on Steep Grade)	0.2	0.2	0.1	50%	120	99.55	0	0	Works in progress
Mara									
Rehab. Musoma – Makojo road	4.1	0	3	73%	250	107.85	0	0%	Works in progress
Rehab. Balili – Mugeta – Manchimweli – Ringwani road	4.1	0.1	3.5	85%	130	107.85	0	0	Works in progress
Upgrading to DSD Nyamuswa-Bunda-Kisorya-Nansio road (Nansio Kisorya)	0.2	0	0	0%	150	82.96	0	0	Under Procurement
Upgrading to DSD Mika – Utegi – Shirati road	0.4	0	0.2	50%	150	165.92	0	0	Works in progress
Upgrading to DSD Tarime-Nyamwanga (Tarime-Nyamwigura section)	0.8	0	0.35	44%	200	331.84	0	0	Works in progress
Rehab. Makutano ya Kinesi – Kinesi	2.8	0.8	2.16	77%	120	74.66	0	0	Works in progress
Rehab Nyamwigura-Gwitiryo	7.2	0.2	8	111%	230	190.81	0	0	Works in progress
Mbeya									
Rehab. Mbalizi – Shigamba – Isongole (Ibaba – Shigamba)	3.7	0	3.1	84%	120	99.55	0	0	Works in progress
Upgrading to DSD Igawa – Rujewa – Ubaruku	0.7	0	0	0%	350	290.36	0	0	Works in progress
Upgrading of Mbalizi – Makongorosi (Mbalizi – Utengule 8km)	0.5	0	0.3	60%	250	207.4	172.93	91%	Works in progress
Rehab. Ilongo – Usangu road	4.7	0.2	5.8	123%	150	124.44	120.3	105%	Completed
Rehab.of Access Road to MUST	2.8	0.8	0.5	18%	90	74.66	74.18	108%	Works in progress and Rolled over fund used to pay outstanding debt for FY 2017/18 Works completed
Rehab. Igurusi - Utengule - Luhanga Road	1.7	0.4	0.6	35%	55	45.63	50.45	120%	Works in progress and Rolled over fund used to pay outstanding debt for FY 2017/18 Works completed
Rehab. Kiwira - Isangati road	1.7	0	3	176%	55	45.63	55	131%	Works completed and Rolled over fund used to pay outstanding debt for FY 2017/18 Works completed

Morogoro									
Rehab.Mahenge-Mwaya-Ilonga	2.8	0	0	0%	90	74.66	0	0	Under Procurement
Upgrading to DST Standard of Mlima Nyani and Mlima Simba Escarpment	0.4	0	0	0%	185	153.48	0	0	Works in progress
Rehab.Ifakara-Taweta-Madeke including crossing Mgeta River for Mchombe/Lukolongo-Ijia	9.3	1.8	7.5	81%	300	248.88	0	0	
Rehab.Gairo-Nongwe Road	5.6	0	0	0%	180	149.33	0	0	
Upgrading of Mahenge Township Roads	0.6	0	0	0%	300	248.88	0	0	
Rehab. Mchombe/Lukolongo - Ijia Incl. Construction of Ijia Bridge crossing of Mgeta river	2.3	0	1	43%	75	62.22	0	0	
Rehab. Ifakara - Taweta - Madeke Regiona road (Taweta -Madeke section)	1.7	0	1.7	100%	55	45.63	0	0	
Mtwara									
Upgrading to DSD Newala Township roads	0.8	0	0.6	75%	400	331.84	140.33	46%	Works in progress
Rehab.Tandahimba - Litehu Mkwiti Road	3.7	0	3.7	100%	120	99.55	108	118%	Works completed and Rolled over fund used to pay outstanding debt for FY 2017/18 Works completed
Construction of Likwamba bridge	100%	10%	50%	50%	176	146.01	21.73	16%	Works in progress
Upgrading to DSD Kinorombedo escarpment along Mkwiti (Kinorombedo)-Kitangili-Newala Road	0.2	0	0.05	25%	100	82.96	18.47	0	Works in progress
Construction of Likwamba bridge	2.2	0	1	45%	70	58.07	12.72	24%	Works in progress
Upgrading to DSD Kinorombedo escarpment along Mkwiti (Kinorombedo)-Kitangili-Newala Road	100%	10%	25	25%	50	41.48	18.47	48%	Works in progress
Mwanza									
Rehab. Kayanze - Nyanguge Road	1.6	0	1.6	100%	52	43.14	52	100%	Works completed and Rolled over fund used to pay outstanding debt for FY 2017/18 Works completed
Rehab. Kabaganga Ferry - Mugogo - Nyakabanga	2.2	0	2.2	100%	70	58.07	70	100%	Works completed and Rolled over fund used to pay outstanding debt for FY 2017/18 Works completed
Rehab. Magu - Bukwimba Ngudu - Hungumalwa Road	3.9	0	3.9	100%	124	102.87	124	100%	Funds shifted to Pay Consultancy services for FFS & DD of Magu - Bukwimba- Hungumalwa road
Rehab. of Lumeji - Nyanshana Road	1.9	0	1.9	100%	62	51.44	62	100%	Works completed and Rolled over fund used to pay outstanding debt for FY 2017/18 Works completed
Construction of Sukuma (Simiyu II) bridge along Magu - Mahaha road	4.7	0.2	0	0%	150	124.44	150	100%	Funds shifted to pay Consultancy services for FFS & DD of Magu - Bukwimba- Hungumalwa road
Rehab Inonelwa - Kawekamo	2.2	0	2.2	100%	70	58.07	70	100%	Works completed and Rolled over fund used to pay outstanding debt for FY 2017/18 Works completed
Rehab Nghwamhaya - Itongoitale Road	1.9	0	1.9	100%	62	51.44	62	100%	Works completed and Rolled over fund used to pay outstanding debt for FY 2017/18 Works completed
Rehab.Nyambiti - Sumve JCT-Fulo Road	2.2	2.2	2.2	100%	70	58.07	70	100%	Works completed and Rolled over fund used to pay outstanding debt for FY 2017/18 Works completed
Rehab. Sengerema - Kahunda (Nyhunge - Kahunda) Road	2.7	0	2.7	100%	88	73.01	88	100%	Completed
Rehab. Managwa - Misasi - Buhingo - Ihelele	2.2	1.2	2.2	100%	70	58.07	70	100%	Completed
Purchase of motor grader for Ukerewe roads	1	0	1	100%	70	58.07	70	100%	Funds for recovery of money spent from other maintenance vote book
Rehab. Sabasaba-Buswelu road	3.9	0	3.9	100%	124	102.87	124	100%	Funds shifted and used to pay FS&DD of Magu-Bukwimba-Hungumalwa
Mwanza Airport Road	1.7	0	1.7	100%	800	663.69	800	100%	Fund used to settle outstanding payment of the same road
Nyakato Mhonze	0.2	0	0.2	100%	100	82.96	100	100%	Funds shifted to Pay Consultancy services for FFS & DD of Magu - Bukwimba- Hungumalwa road
Decongestion of urban roads in Mwanza (Nyakato Veta - Buswelu road section)	0.4	0.4	0.4	100%	200	165.92	200	100%	Completed

Njombe										
Rehab. Ndulamo – Nkenja – Kitulo – Mfumbi 95km	2.8	0	0	0%	90	74.66	0	0	Under Mobilization	
Rehab Njombe – Ndulamo – Makete (109.4)	0	0	0		150	124.44	0	0	Under Mobilization	
Rehab.Kibena – Lupembe – Mfuji (Moro/Iringa Border) 125.2km	2.8	0	1.25	45%	90	74.66	0	0%	Works in progress	
Rehab.Njombe – Iyayi	2.8	0	2.8	100%	90	74.66	88.42	129%	Works completed and Rolled over fund used to pay outstanding debt for FY 2017/18 Works completed	
Rehab of Ikonda – Lupila – Mlangali (Lupila – Mlangali)	4.7	0.7	0	0%	150	124.44	0	0	Under Mobilization	
Upgrading to DSD Ludewa township roads	0.5	0	0	0%	250	207.4	0	0	Under Mobilization	
Upgrading to DSD Igwachanya township roads	0.5	0	0.42	84%	250	207.4	0	0	Under Mobilization	
Rehab.Igwachanya(Chalowe)-Usuka-Kanamalenga-Ikingula (Mang'elenge)	2.6	0	2.6	100%	83	68.86	77.84	123%	Works completed and Rolled over fund used to pay outstanding debt for FY 2017/18 Works completed	
Rehab. Kikondo - Makete road	2.3	1.3	0	0%	74	61.39	0	0	Under Mobilization	
Upgrading to DSD of Ikonda Hospital road	0.2	0	0	0%	110	91.26	0	0		
Rukwa										
Rehab. Ntendo – Muze (Kizungu hill) section to DSD	0.3	0	3.9	1300%	150	123.53	170.74	151%	Works completed and Rolled over fund used to pay outstanding debt for FY 2017/18 Works completed	
Rehab. Kasansa – Muze along Kasansa Kamsamba Road	4.7	0	1	21%	150	123.53	0	0	Works in progress	
Rehab. Miangalua – Kipeta Road (Miangalua – Chombe)	4.7	0	0.4	9%	150	123.53	64.2	57%	Works in progress	
Rehab. Lyazumbi – Kabwe	3.7	1.7	2.5	68%	120	99.55	0	0	Works in progress	
Rehab. Kalambanzite-Ilemba Road	4.7	1.7	4.7	100%	150	123.53	6.46	6%	completed	
Rehab. Katongoro-Kipili (Kipili-Kipili New Port section-4.5km)	4.4	0	4.4	100%	140	116.15	44.12	41%	completed	
Upgrading to DSD of Kizwite-Mkina	0.7	0	1	143%	350	288.54	258.1	98%	completed	
Rehab. Laela - Mwimbi - Kizombwe	3	1	8	267%	96	79.64	72.98	100%	completed	
Rehab. Kalepula Jct - Mambwekoswe	2.2	0	1	45%	72	59.73	50.2	91%	Works in progress	
Ruvuma										
Rehab. Azimio-Lukumbule-Tulingane (Lukumbule-Tulingane)	2.2	0	2.2	100%	70	58.07	47.71	89%	completed	
Opening up Londo – Kilosa Kwa Mpepo road Section	2.8	0	4.51	161%	90	74.66	122.77	179%	completed	
Rehab Chamani – Matuta – Mango – Kihagara road	2.8	0.8	0.82	29%	90	74.66	0	0	Works on progress	
Upgrading to DSD Kilimo Mseto – Makambi road	0.2	0.2	0.66	330%	90	74.66	4.36	6.40%	Works on progress	
Upgrading to Otta seal Hilly section along Mtwara Pachani – Mkongo – Sasawala – Nalasi	0.2	0	0.42	210%	90	74.66	51.2	75%	completed	
Design and start construction of Fundi Mbanga bridge along Tabora – Fundi Mbanga rd	1	0.1	0	0%	150	124.44	0	0	Shifted to Ruhuhu Bridge	
Rehab of Kitai – Lituhi road	2.8	0	5	179%	90	74.66	90	131%	Completed	
Rehab of Matimila – Mkongo road	2.8	0.8	3.5	125%	90	74.66	47.07	69%	Completed	
Rehab. Mpitimbi – Ndongosi – Nambendo road	2.8	0	3.5	125%	90	74.66	63.5	93%	Completed	
Rehab. Mjimwema – Ngapa – Tunduru/Nachingwea Border	2.5	0	2.45	98%	80	66.37	42.23	69%	Completed	
Upgrading to otta seal Unyoni-Kipapa-Chamani-Mkoha (Mawono Escarpment)	0.2	0	0.12	60%	90	74.66	0	0	Works on progress	
Construction of Ruhuhu bridge asubstructure and its approach roads	2.7	0.7	0.76	28%	87.5	72.59	0	0	Works on progress	
Construction of Mitomoni Bridge at Ruvuma River along Unyoni - Liparamba - Mkenda (Mitomoni)	1	0.1	0	0%	70	58.07	0	0	Works in progress	
Simiyu										
Rehab. Luguru – Kadoto – Malya road	4.7	0.2	9.6	204%	150	124.44	111.85	98%	Completed	
Rehab Maswa - Kadoto - Shishiyu Jija - Maligusu road	4.7	0.2	9.6	204%	150	124.44	124.73	109%	Completed	
Rehab. Mkoma – Makao road	7.5	0.3	10.8	144%	240	199.11	192.53	105%	Completed	
Rehab. Ngulyati – Miswaki – Ngasamo road	3.7	0	3.5	95%	120	99.55	0	0	Works in progress	
Bridge Major repair (Box Culv. 2 Cells) along Mwandoya - Ng'hoboko	3.1	0	0.5	16%	100	82.96	42.164	55%	Works in progress	

Singida										
Rehab. Soweto(Kiomboi) – Kisiriri – Chemchem	7.5	0.3	8	107%	240	199.11	99.11	54%	Completed	
Rehab. Mkalama – Mwangeza – Kidarafa	5.6	0	6	107%	180	149.33	149.16	109%	Completed	
Construction of Msosi Box culvert and approaches along Iyumbu (Tabora border) – Mgungira – Mtunduru – Magereza	100%	10%	100%	100%	50	41.48	47.44	124%	Completed	
Rehab. Kizaga – Sepuka – Mlandala section	3.3	0	3.5	106%	105	87.11	0	0	Completed	
Upgrading of Access Road to Kiomboi Hospital	0.5	0	0.8	160%	220	182.51	165.96	99%	Works in progress	
Construction of 2 Box Culverts along Sepuka - Mlandala - Mgungira	1.6	0	2	125%	50	41.48	47.62	125%	Completed	
Construction of 2 Box Culverts along Sekenke - Tulya - Tygelo	1	25%	100%	100%	50	41.48	50	100%	Completed	
Construction of Reinforced Concrete Drift, Box Culverts and Approaches along Kisiriri - Chemechem road	1	25%	100%	100%	55	45.63	0	0	Completed	
Shinyanga										
Rehab. Shinyanga – Old Shinyanga road	4.7	0.2	7.35	156%	150	124.44	36.84	32%	Works in progress	
Constr. of Vented Drift along. Isagenye – Budekwa – Mabaraturu	4.7	0.2	0.95	20%	150	124.44	0	0	Works in progress	
Rehab. Kahama – Bulige – Mwakitolyo – Solwa	2.8	0	3.04	109%	90	74.66	0	0	Works in progress	
Rehab. Nyandekwa – Uyogo – Mwande (Shy/Tbr border)	3.7	0	2.6	70%	120	99.55	0	0	Works in progress	
Rehab. Nyandekwa – Butigu road	3.7	1.7	4	108%	120	99.55	0	0	Works in progress	
Rehab. Of Mwambomba - Ushetu	1.9	0	1.1	58%	60	49.78	0	0	Works in progress	
Rehab. Of Bukumba A - Ulowa - Uyowa	6.2	0.2	3.4	55%	200	165.92	0	0	Works in progress	
Rehab. Of Ntobo - Busangi - NGAYA - Nduku - Mwakuhenga - Mwankuba - Buluma - Jana - Didia and 2 Bridges	2.6	1	0.8	31%	83	68.86	0	0	Works in progress	
Songwe										
Rehab.Galula-Namkukwe	3.7	2	2	54%	120	101.19	20.51	0	Works on progress	
Rehabilitation of Igamba - Msangano - Utambalila	1.9	1	2.5	132%	60	52.23	42.38	86%	Completed	
Rehabilitation of Isongole II - Isoko	1.9	0	2	105%	60	51.14	54.42	114%	Works on progress	
Rehabilitation of Zelezeta - Isansa - Itaka	1.9	0.9	2.5	132%	60	55.04	52.68	99%	Completed	
Rehabilitation of Hasamba - Nyimbili - Izyila - Itumba	1.9	0.9	2.5	132%	60	55.14	56	105%	Completed	
Rehab. Ibungu (Rungwe) - Ibungu (Ileje) road	4.7	0	0	0%	150	133.26	0	0	Works in progress	
Rehab. Igurusi - Utengule - Luhanga Road	1.9	0	1	53%	60	16.92	20.51	34%	Works in progress	
Raising embankment of Msangano - Tindingoma (6km) section along Igamba - Utambalila	3.1	0	3.1	100%	100	86.81	65.3	65%	Completed	
Tabora										
Rehab. Tutuo – Izimbili – Usoke	9.3	0.3	16.2	174%	300	248.88	231.46	101%	Works completed	
Rehab.Nzega-Itobo-Bukooba	6.5	0.5	5.5	85%	210	174.22	53.08	33%	The Consultant has submitted the draft FS & Preliminary Design report and comments given. Final report awaited	
Rehab. Sikonge – Mibono – Kipili rd	7.5	0.3	15.16	202%	240	199.11	127.17	69%	Works on progress	
Rehab.Mambali-Bukene-Itobo Road	3.7	0	5.5	149%	120	99.55	112.51	123%	Completed	
Opening up of Kishelo - Kitunda road	4.7	0.2	5	106%	150	124.44	0	0	Completed	
Tanga										
Rehab.Mlalo-Mng'aro Road	6.1	0.1	0.3	5%	197.02	163.43	0	0	Zero Expenditure	
Rehab.Muheza-Maramba Road	2.8	0.8	0.5	18%	90	74.66	0	0		
Rehab.Mharamo-Misozwe-Maramba-Kasera Road	2.8	0.8	2.14	76%	90	74.66	0	0		
Upgrading to DSD Magamba-Mlola Road	0.3	0	0.9	300%	150	124.44	0	0		
Upgrading of Amani – Muheza road to DSST	0.4	0	0.12	30%	175	145.18	0	0		
Rehab of Bumbuli – Dindira – Korogwe Rd	3.7	0.7	0.8	22%	120	99.55	0	0		
Construction of 2 new box culvert (4m x 3m x2.5m) along Kwagwuru-Kwekivu Jct Road	100%	25%	40%	40%	100	82.96	0	0		
Construction of New Concrete T-Beam Bridge (Mult Span of 10m) along Songe - Kibereshi road (Songe Bridge)	1	25%	0%	0%	100	82.96	0	0	Works were not approved to proceed with Contract due to insufficient allocation Fund	
Sub-total	502.7	65.35	435.82	86.1	29,799.52	24,716.38	10,210.96	92.31		

Monitoring of Road and Bridge Projects, Maintenance of Supervision Vehicles, Fuel and Other Roads Related Activities (MOW)					1,500.00	1360.15	1,539.83		
Roads Classification Activities					234.14	-			
Specific roads related projects									
(i) Appropriate Technology Training Institute (ATTI)					700	677.55	625.2		
(ii) Morogoro Works Training Institute (MWTI)					750	731.84	716.74		
(iii) Women Participation Unit (WPU)					200	200	237.67		
(iv) Tanzania Technology Transfer Centre (TANT ² Centre)					400	353.91	166.89		
Total	502.7	65.35	435.82	86.1	33583.66	28,039.83	13,497.29		

Annex 4: Administrative Activities and Performance on Financial and Physical Plans in FY 2018/19

Table 2.2: Physical and Financial Performance for Road Safety and Environmental Activities

Project/Activity Name	Plan for FY 2018/19	Achievement	Remarks
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 system	Maintenance services for the first and second term were done and completed while for the third and fourth term were not achieved due to expiring of the contract	The Ministry is planning to renew contract for performing maintenance services.
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	Proposal for conducting Feasibility Study were approved and now is in the final stage of procurement process	Project has shifted to TANROADS for implementation
3 Purchase and Installation of Pilot surveillance cameras along TANZAM Highway	Installation of prototype surveillance cameras along TANZAM Highway	Installation of cameras has completed and the Consultant submitted a letter for final inspection	
4 Compensation of land for establishment of One Stop Inspection Stations (OSIS) along Dar and central corridor	To acquire land at Iboya (Mbozi), Ruaha Mbuyuni (Morogoro) stations.	Payments have been done to PAP's 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 TANZAM zone	To conduct road safety audit in TANZAM Corridor	Combined Technical and Financial Evaluation Report submitted to PMU for further approval	
6 Conduct road safety awareness campaigns	Prepare and participate in road safety week	The Ministry conducted awareness and Training on the EAC-VLC Act, 2016 to Stakeholders including transporters, weighbridge staff etc.	The Ministry conducted awareness and Training on the EAC-VLC Act, 2016 to Stakeholders including transporters, weighbridge staffs etc
7 Road Environmental Monitoring and Audit	Conduct Environmental Monitoring and Audit	(i) Environmental Monitoring and Audit were conducted in seven (7) regions namely Songwe, Rukwa,Kilimanjaro,Tanga,Geita, Mwanza and Dar es Salaam (ii) Environmental Monitoring and Audit for ferries were conducted at Magogoni and Kigamboni stations.	
8 Develop Environmental Management System (EIMS) and conduct on job training	To develop Environmental Information Management System (EIMS) and conduct on job training	Preparation of TOR is in progress	Awaiting Comments from NEMC
9 Participate in local and International meetings and professional training on road transport safety	To participate local and International meetings on road safety	Two (2) staff participated in International meeting in Kampala, Uganda.	
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 participated in training on road transport safety at Hasset University in Belgium.	
11 Monitoring and evaluation of roads, vehicles and ferries safety, maintenance of supervision vehicles, fuel and other related road safety administrative cost.	Conduct Monitoring and Evaluation of Roads and Vehicle Safety.	(i) Monitoring was conducted in fourteen (14) weighbridge stations. (ii) Monitoring for roads sings,roads marking and roads infrastructure were conducted along Central Corridor.	

Annex 5: Development Projects Funded in FY 2018/19 by RFB and Implementation Status

Annex 5: Development Projects Funded in FY 2018/19 by RFB and Implementation Status

LGA/Institution	Project/Activity	Annual Plan for 2018/19		Contract Amount (TZS)	Progress		Remarks
		Length/No	Amount (TZS)		Length/No.	Amount (TZS)	
1 Longido DC	Upgrading of Longido Town roads to DSD	0.7 km	295,514,267	248,000,000	0.80	248,843,600	Completed
2 Ilala MC	Design and Construction of Mongolandege and Nyebulu Bridges	2 Nos	492,523,778	0	0.00	0	Procurement for consultant
3 Chamwino DC	Upgrading of Chamwino Town roads to Bitumen Standard	1 km	443,271,400	349,310,000	1.00	230,100,952	Works Completed
4 Bahi DC	Upgrading of Bitumen Standard of Avenue 1 road	1 km	443,271,400	450,000,000	0.70	218,566,272	Works Completed
5 Chemba DC	Upgrading of Chemba Town roads to DSD	1 km	443,271,400	347,610,000	0.16	0	Progress 16%
6 Dodoma MC	Upgrading of Urban road	1 km	443,271,400	665,115,783	1.00	443,271,400	Works Completed
7 Kondoa DC	Rehabilitation of Bereko-Kisese-Kikore road	32 km	492,523,778	390,542,400	1.00	94,612,928	Progress 60%
8 Kondoa TC	Upgrading of Kondoa Town roads to Bitumen Standard	1 km	443,271,400	368,095,000	0.40	0	Progress 30%
9 Bukombe DC	Upgrading of Bukombe stand roads to DSD	1 km	443,271,400	342,388,000	1.00	142,597,000	Progress 35%
10 Chato DC	Upgrading of Chato town roads	1.5 km	701,846,384	580,350,000	1.50	143,428,600	Progress 30%
11 Mbogwe DC	Rehabilitation of Ushirika - Kadoke - Ntono road	5 km	147,757,133	130,308,000	5.50	140,009,990	Works Completed
12 Kilolo DC	Upgrading of Kilolo Town roads to tarmac level	1 km	443,271,400	393,872,000	0.82	150,065,232	Progress 82%
13 Nsimbo DC	Upgrading of Nsimbo Town roads	0.7 km	295,514,267	247,747,000	0.20	0	Progress 30%
14 Kasulu TC	Upgrading of Kasulu Town roads to DSD	1 km	443,271,400	449,342,121	0.73	321,900,384	Progress 80%
15 Same DC	Upgrading of Same Town roads to DSD	1 km	443,271,400	429,501,000	0.20	64,426,500	Works in progress
16 Mwangi DC	Upgrading of Mwangi town roads to DSD	1 km	443,271,400	413,139,000	1.00	61,970,850	Completed
17 Lindi DC	Rehabilitation of Rutamba-Mnadani-Nyegeji--Londo Road	18 km	354,617,120	302,018,900	10.00	171,019,335	Progress 75%
18 Ruangwa DC	Construction of Ruangwa Town roads to DSD	1.5 km	664,907,100	654,956,000	2.45	475,374,200	73% progress
19 Babati TC	Upgrading of Babati town roads to DSD	1 km	443,271,400	449,884,600	0.57	0	Completed
20 Hanang DC	Rehabilitation of Hanang roads to gravel standard including Bridges/Culverts major repair	12 km	236,411,413	197,279,800	12.00	150,367,684	Completed
21 Kiteto DC	Rehabilitation of Kiperesa-Engusero road Road	5 km	147,757,133	143,074,712	0.30	0	Delay due to VAT exemption processes
22 Mbulu TC	Upgrading of Mbulu Town roads to Paved Standard	0.7 km	295,514,267	300,000,000	0.10	0	Progress 25% - clay is due to rain
23 Butiama DC	Upgrading of Mbeza SS -Ntuzu-Kiabakari junct Road to DSD	1 km	443,271,400	303,390,840	4.00	156,660,255	Progress 55% - changed from upgrading (1km) to rehabilitation (6.3km)
24 Tarime DC	Upgrading of Tarime road to DSD	1 km	443,271,400	417,571,700	1.10	62,635,755	Progress 20%
25 Tarime TC	Construction of Boma road to DSD	1 km	443,271,400	433,461,000	0.20	86,726,211	Progress 10%
26 Busokelo DC	Rehabilitation of Busokelo road to (gravel Standard)	17.5 km	344,766,645	287,921,544	12.50	184,269,788	Progress 93%
27 Mbeya DC	Upgrading of Mbeya DC roads to gravel standard	20 km	443,271,400	292,844,000	15.00	219,135,165	Progress 80%
28 Rungwe DC	Construction of Tukuyu town roads	1 km	443,271,400	256,558,000	1.00	0	Progress 21%
29 Newala TC	Rehabilitation of Newala town roads to including storm water drain	1 km	788,038,045	701,486,441	1.34	210,445,932	Progress 30%
30 Ilembela MC	Construction of Kabuhu-Ziwani road to DSD	1 km	443,271,400		0.10	0	Progress 10%
31 Makete DC	Rehabilitation of Lupila-Kipengere road	10 km	216,710,462	174,200,000	8.00	169,940,000	Completed
32 Wangingombe DC	Rehabilitation of Ilembula-Iponda-Uwangama road	15 km	258,574,983	222,142,500	15.40	134,525,069	Completed
33 Kibaha TC	Upgrading of Kibaha Town Industrial Area Roads to tarmac level	1 km	443,271,400	0	0.00	0	Design Stage
34 Kibiti DC	Upgrading of Kibiti Town roads to DSD	1 km	443,271,400	450,000,000	0.10	172,675,800	Completion date is extended
35 Kisarawe DC	Upgrading of Kisarawe Town roads and construction of Open Channel Drain	1.5 km	837,290,423	716,354,600	0.40	111,761,360	Delayed - relocation of utilities and heavy rainfall
36 Kisarawe DC	Rehabilitation of Chole-Sofu-Gwata including box culvert	15 km	886,542,800	697,738,000	19.00	400,020,142	Delayed - heavy rainfall
37 Mkuranga DC	Upgrading of Mkuranga Town roads to DSD	1 km	443,271,400	391,297,500	0.00	0	Progress 10% - dthy rainfall
38 Mkuranga DC	Rehabilitation of Kimanzichana-Mkamba	10 km	689,533,289	494,166,700	4.00	196,983,194	Progress 75%
39 Kalambo DC	Upgrading of matai road to Bitumen Standard (DSD)	1 km	443,271,400	325,617,750	0.00	0	Progress 40%
40 Nkasi DC	Upgrading to Bituminous surface treatment of Namanyere Town roads	1 km	443,271,400	391,395,000	0.00	144,727,162	Progress 75%
41 Nyasa DC	Construction of Tumbi-Mango-Kindili road	15 km	344,766,645	266,584,875	8.00	260,564,867	Progress 81%
42 Ushetu DC	Rehabilitation of Nyamilangano- Butibu and Tulole-Mapamba-Nshimba roads	15 km	295,514,267	228,838,775	12.00	227,367,589	Completed
43 Kaliua DC	Upgrading of Kaliua roads to paved standard	0.7 km	295,514,267	232,869,001	0.00	232,869,001	Completed
44 Nzege TC	Construction of Nzege town roads to DSD	1 km	443,271,400	285,504,860	0.90	106,869,010	Completed
45 Nzege TC	Construction of Nhololo Bridge in Nzege TC	1 No	552,640,182	455,384,662	0.90	53,641,103	Progress 25%
46 Tabora DC	Rehabilitation of Miswaki - Loya road	20 km	199,297,953	329,996,500	20.00	100,850,000	Progress 40%
47 Bumbuli DC	Upgrading of Soni-Mponde road to Bitumen std (DSD)	1 km	443,271,400	358,215,000	0.00	0	Tender Re-advertised
48 TARURA	Construction of TARURA Head Office Building and Laboratory building		394,019,022	394,019,022	0.00	0	
49 TARURA	Detailed Engineering Design of selected roads(Roads traversing through potencial Industrial and Agricultural areas		1,970,095,112	1,970,095,112	0.00	103,000,000	
50 TARURA	Supervision of Development Projects		1,033,018,332		0.00	100,000,000	
51 Mbinga DC	Rehabilitation of Mbinga - Kipololo - Litoho road	3KM	365,284,140	585,500,465	1.80	146,258,880	Progress 60%
GRAND TOTAL		240.8 Km /3 bridges	24,235,006,811	19,515,688,164	167.17	6,638,481,210	