



**THE UNITED REPUBLIC OF TANZANIA**

**NATIONAL AUDIT OFFICE**



**ROADS FUND BOARD (RFB)**

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE  
FINANCIAL AND COMPLIANCE AUDIT FOR THE FINANCIAL YEAR  
ENDED 30 JUNE 2023**

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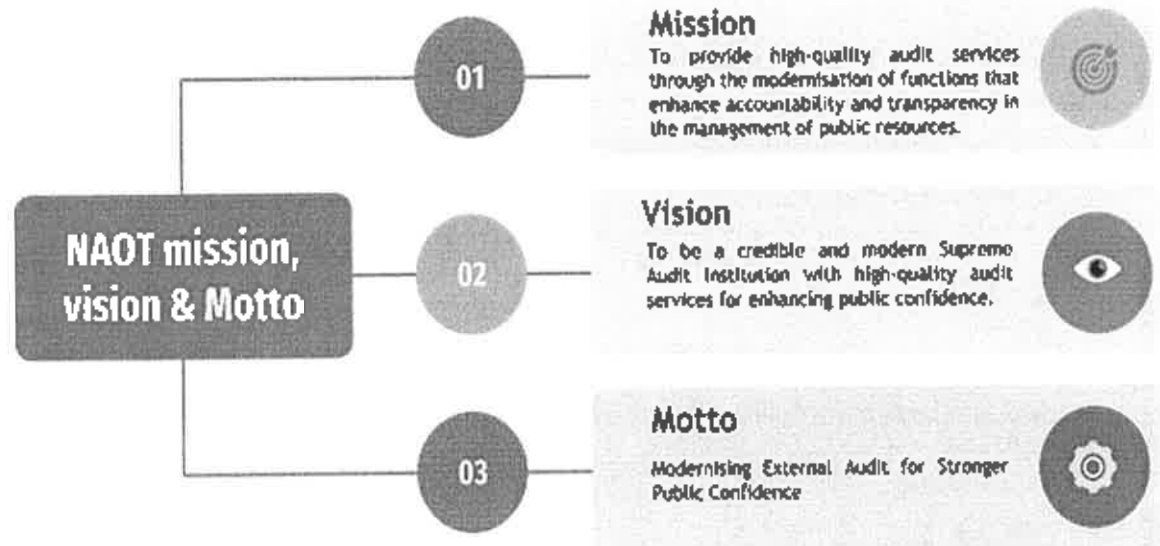
March 2024

ML/CG/RFB/2022/23

## About the National Audit Office

### Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 (1) of the Public Audit Act, Cap 418.



#### Independence and objectivity

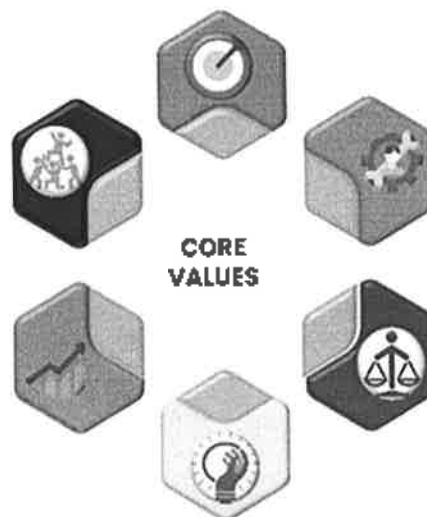
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

#### Teamwork Spirit

We value and work together with internal and external stakeholders.

#### Results-Oriented

We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.



#### Professional competence

We deliver high-quality audit services based on appropriate professional knowledge, skills, and best practices

#### Integrity

We observe and maintain high ethical standards and rules of law in the delivery of audit services.

#### Creativity and Innovation

We encourage, create, and innovate value-adding ideas for the improvement of audit services.

© This audit report is intended to be used by Road Fund Board (RFB) and may form part of the annual general report, which once tabled to National Assembly, becomes a public document; hence, its distribution may not be limited.

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## Abbreviations

CAG	Controller and Auditor General
ISSAIs	International Standard of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
RFB	Roads Fund Board
TANROADS	Tanzania National Roads Agency
TARURA	Tanzania Rural and Urban Authority
TRA	Tanzania Revenue Authority
TZS	Tanzania Shillings

## **1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL**

Chief Executive,  
Road Fund Board,  
Njedengwa Investment,  
P. O. Box 993,  
DODOMA.

### **1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS**

#### **Unqualified Opinion**

I have audited the financial statements of Roads Fund Board (RFB), which comprise of the Statement of Financial Position as at 30 June 2023, 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 (RFB) as at 30 June 2023, 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 the manner required by the Public Finance Act, Cap 348.

#### **Basis for Opinion**

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Roads Fund Board (RFB), in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

#### **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. I have determined that there are no key audit matters to communicate in my report.

### **Other Information**

Management is responsible for the other information. The other information comprises the Chief Executive 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 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 I obtained prior to the date of this audit report, I conclude 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.

### **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.

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

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap 418 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, Cap 410 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.

## **1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS**

### **1.2.1 Compliance with the Public Procurement Laws**

**Subject matter: Compliance audit on procurement of works, goods, and services**  
I performed a compliance audit on the procurement of works, goods, and services in the Road Fund Board (RFB) for the financial year 2022/23 as per the Public Procurement laws.

#### **Conclusion**

Based on the audit work performed, I state that procurement of works, goods and services of the Roads Fund Board (RFB) is generally in compliance with the requirements of the Public Procurement laws.

### **1.2.2 Compliance with the Budget Act and other Budget Guidelines**

#### **Subject matter: Budget formulation and execution**

I performed a compliance audit on budget formulation and execution in the Road Fund Board (RFB) for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

#### **Conclusion**

Based on the audit work performed, I state that Budget formulation and execution of Road Fund Board (RFB) is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.



Charles E. Kichere  
Controller and Auditor General,  
Dodoma, United Republic of Tanzania

March 2024





## **2.0 FINANCIAL STATEMENTS**

### **Introduction**

The Roads Fund and its Board were established by the Roads and Fuel Tolls Act, [Cap 220 R.E. 2019]. The Board is a Government Institution responsible for managing the Fund into which all monies collected as roads and fuel tolls for roads maintenance are paid.

The Board Members who are charged with governance of the Fund present their report and the Financial Statements for the year ended 30 June 2023, which disclose the state of affairs of the Roads Fund Board.

This report has been prepared in accordance with the Tanzania Financial Reporting Standard (TFRS) NO.1: The Report by Those Charged with Governance and in compliance to section 5(7) of the governing law; the Roads and Fuel Tolls Act, [Cap 220 R.E 2019].

#### **1. Vision**

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

#### **2. Mission**

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

#### **3. Functions of the Board**

Pursuant to the Road and Fuel Tolls Act, [Cap 220 R.E 2019]., the functions of the Roads Fund Board in relation to the Fund are:

- a) To advise the roads minister on new sources of roads and fuel tolls, adjustment of rates of existing roads and fuel tolls and on regulations for collection of road and fuel tolls for the purpose of ensuring adequate and stable flow of funds to road operations;
- b) To apply the money deposited into the Fund for the purposes approved by the Parliament;
- c) To set out procedures for agents with respect to the collection of roads and fuel tolls for the purpose of the Fund;
- d) To ensure full collection and transfer of collected roads and fuel tolls to the Fund's account;
- e) To develop and review periodically the formula for allocation and disbursement from the Fund to Roads Agencies and advise the roads minister accordingly;
- f) To recommend to the roads minister an allocation of funds for Roads Agencies to undertake road management at a level that is suitable and affordable;
- g) To disburse funds from the Fund to Roads Agencies;
- h) To ensure that the operations of Roads Agencies and the Fund are technically and financially sound;
- i) To monitor the use of the funds disbursed to Roads Agencies for the purpose of the objects of the Fund;

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- j) To appoint the Roads Fund Manager and other Senior Officers;
- k) To appoint, subject to approval by the Controller and Auditor General, an auditor or auditors to carry out the audit of the Fund;
- l) To make any other recommendations to the roads minister as it considers necessary to enable the Board to achieve its objectives.

**4. CORPORATE GOVERNANCE**

The Roads Fund Board is governed by a well-established Board membership drawn from both public and private sector in order to safe guard the interests of both the government and the public who are road users. It is entrusted with the oversight role on the affairs related to the Fund. The Board has a Secretariat that is responsible for the 'day to day' operations of the Fund.

**4.1. Composition, appointment and meeting of the Roads Fund Board Members**

The composition and appointment of members of the Board is prescribed by the Road and Fuel Tolls Act, [Cap 220 R.E 2019]. The Roads Fund Board consists of nine members. Out of that, four (4) members are from the Public Sector and five (5) are from the private sector as it is prescribed in the Act.

The composition of the Board is as follows:

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

Pursuant to the Roads and Fuel Tolls Act, [Cap 220 R.E 2019]., the Board is required to meet at least four times during the financial year to deliberate on the operations related to the Fund.

During the financial year, the Board conducted four ordinary meetings and three special meetings.

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**Table No. 1: Board Members who served during the reporting period and their attendance to the meeting are as shown in the table below:**

SN	Name	Position	Position/institution	No of meetings attended (out of 7)
1.	Mr. Joseph O. Haule	Chairman	Retired Civil Servant	3
2.	Ambassador Eng. Aisha S. Amour	Member	Permanent Secretary, MoWT	6
3.	Mr. Emmanuel Tutuba/Dr Natu Mwamba	Member	Permanent Secretary, MoFP	3/3
4.	Prof. Riziki S. Shemdoe	Member	Permanent Secretary, PORALG	6
5.	Eng. Alois M. Matei	Member	Director of Roads- MoWT	4
6.	Mr. Hussein A. Wandwi	Member	Representing, Road Transport Industry	7
7.	Ms. Neema J Mhondo	Member	Representing, The Confederation of Tanzania Industries	7
8.	Mr. William S. Mwakilema	Member	Representing Tourism Industry	6
9.	Mr. Octavian EN. Mshiu	Member	Representing Tanzania Chamber of Commerce, Industries and Agriculture	6
10.	Mr. Eliud T. Nyauhenga/Eng Rashid S. Kalimbaga	Secretary	Roads Fund Board Manager	7/0

The Board conducts its affairs through three Committees. The Committees perform technical assessments for each matter before it is presented for the Board deliberations. The committees are:

**(i) The Technical and Finance Committee (TFC)**

SN	NAME	POSITION	PROFESSION	NO OF MEETINGS ATTENDED (OUT OF 5)
1	Mr. Octavian EN. Mshiu	Chairman	Entrepreneurship	4
2	Mr. William S. Mwakilema	Member	Tourism	4
3	Mr. Emmanuel Tutuba/Dr Natu Mwamba	Member	Economics/Economics	4
4	Eng. Alois M. Matei	Member	Civil Engineering	5
5	Prof. Riziki S. Shemdoe	Member	Forestry	5
6	Mr. Eliud Nyauhenga	Secretary	Economics	5

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**(ii) Audit and Risk Management Committee (ARMC)**

SN	NAME	POSITION	PROFESSION	NO OF MEETINGS ATTENDED (OUT OF 6)
1	Mr. Hussein A. Wandwi	Chairman	Transport Economics	6
2	Ms. Neema J Mhondo	Member	Co-operative	5
3	Prof. Riziki S. Shemdoe	Member	Forestry	6
4	Ambassador Eng. Aisha S. Amour	Member	Civil Engineering	3
5	Mr Eliud T. Nyauhenga	Secretary	Economics	6

**(iii) Human Resources, Employment and Discipline Committee (HREDC)**

SN	NAME	POSITION	PROFESSION	NO OF MEETINGS ATTENDED (OUT OF 3)
1	Ms. Neema J Mhondo	Chairman	Co-operative	3
2	Mr. Hussein A. Wandwi	Member	Transport Economics	3
3	Mr. Octavian EN. Mshiu	Member	Entrepreneurship	2
4	Mr. Emmanuel Tutuba	Member	Education	3
5	Mr. William S. Mwakilema	Member	Tourism	2
6	Eng. Alois M. Matei	Member	Civil Engineering	3
7	Mr Eliud T. Nyauhenga	Secretary	Economics	3

During the reporting period, the Board met and deliberated on the following matters related to Roads Fund activities:

1. Incentive to innovative Engineers and Institutions
2. Incentive to best performing Road Agencies in Management of Road Works for FY 2020/21
3. Disposal of RFB household furniture
4. Quarterly Progress Report on the Implementation of RFB Strategic Plan for FY 2022/23
5. Quarterly Progress Report on Implementation of RFB Annual Procurement Plan for 2022/23
6. RFB Quarterly Internal Audit Reports
7. RFB Staff matters
8. Quarterly reports on Risk Management
9. Road Agencies' Quarterly Progress reports on implementation of road works financed by Roads Fund for FY 2022/23
10. CAG Audit Reports for RFB, TANROADS, TARURA, MoWT and PORALG for the Period Ended 30th June 2022
11. Preventive Technical Audit Reports for FY 2020/21
12. Risk Based Internal Audit Strategic plan for FY 2022/23 to 2024/25
13. Risk Based Internal Audit Plan for the FY 2022/23
14. Impact of Climate change on Roads Infrastructure
15. Assessment of Road Maintenance Financing Deficit and its Implications on Road Asset Value and Condition.
16. Special requests of fund

17. Report of of the workshop on the impact of climate change in management of road assets
18. Launch of the Electronic Monitoring Application
19. Budget reallocation for FY 2022/23
20. Road Fund Board Budget for FY 2023/24
21. Report on Assessment of Submitted Operational Plans for the FY 2023/24
22. TANROADS, TARURA, PORALG and MoWT Operation Plan for the FY 2023/24
23. The Draft Final Report by Those Charged with Governance and Financial Statements for the Period Ended 30 June 2022
24. Progress Reports on construction of RFB cafeteria and staff houses
25. Road Fund Board Annual Procurement Plan for FY 2023/24

#### **4.2. Risk Management and Internal Controls**

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

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

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

##### **4.2.1. Relevant legislations**

Relevant legislations applicable to the Fund and respective Board include the Public Finance Act, [Cap 348 R.E 2020] 2001, Public Procurement Act, [Cap 410 RE 2022], Public Audit Act, [Cap 418], Budget Act, [Cap 439 of 2015], Road and Fuel Tolls Act, [Cap 220 RE 2019] and Employment and Labour Relations Act, [Cap 366 of 2004 RE 2019].

##### **4.2.2. Delegation**

The RFB has a clear organization structure, detailing lines of authority. The overall objectives of the Board as translated to its functions are stipulated in the Strategic Plans and translated to annual Budgets which are approved by the Board Members, and delegated to Management for the day-to-day execution.

##### **4.2.3. Internal Audit**

An internal audit unit has been established in compliance with good corporate governance. The unit evaluates risk, reviews control, recommends for required improvements and makes follow up to management for implementation of the recommendations. This is achieved by using the Internal Audit Guide for Public Sector Entities (PSES). The purpose is to establish some minimum requirements for the development and operation of the internal audit function in the Public Sector Entities. It serves as the primary source of reference



and guidance for internal auditing in the Public Sector. It is intended to ensure that the Internal Audit Functions (IAF) comply with the requirements of:

- (i) Public Finance Act, [Cap 348 RE 2020];
- (ii) The Local Government Act, [Cap 290 of 1982 and its amendment;
- (iii) Local Authority Financial Memorandum of 2009 and its amendments; and
- (iv) The Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing

#### **4.2.4. Competence**

The Board appreciates that internal controls are key to risk management and that both can only be enhanced by availability of competent staff. Staff skills are therefore enhanced and maintained through competence-based recruitment process and performance appraisal system which identifies training needs.

#### **4.2.5. 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 before being approved by the Board.

#### **4.2.6. Risk Management Framework**

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

#### **4.2.7. Operations Manuals**

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

#### **4.2.8. 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 stakeholders. Related party transactions are disbursements made to the parent ministry, remuneration of Board Members and key management personnel. During the year ending 30<sup>th</sup> June, 2023 related party transactions were as shown below;

**Table No. 2: Related Party Transactions (TZS)**

S/No	Description	30.06.2023	30.06.2022
1	Board related expenses (travel and training)	159,666,124.00	165,769,255
2	Board Members' fees	56,562,500.00	44,412,500
3	Remuneration to seven (7) Management personnel	723,787,200.00	740,910,400

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4	Transfers to Ministry of Works and Transport (Works)	52,429,721,078.27	69,724,753,776
	<b>Total</b>	<b>53,369,736,902.27</b>	<b>70,675,845,931</b>

**4.2.9. Board, Management and Employees' Relationship**

The relationship between the Board, management and employees is governed by the Roads and Fuel Tolls Act, [Cap 220 RE 2019]; RFB Staff and Financial Regulations in relation to Labour Laws and Government Circulars and Standing Orders. During the period under review there was no reported case of conflicting interest among RFB members, management team or staff in general.

During the period there were neither unresolved complaints received by Management from the employees nor unattended issue presented by Management to the Board. Additionally, three staff meetings were conducted to discuss matters of relevant Interest. A healthy relationship continues to exist as the Board gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination.

**4.3. Employee's Welfare**

**4.3.1. Training Facilities and Staff Development**

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

When presenting its annual budget for the year 2022/23, the Board did set aside a sum of TZS 449.5 million for staff training in order to improve employee's technical skills and hence effectiveness. Training programs have been and are continually being developed to ensure employees are adequately trained at all levels. All employees are accorded with some form of training each year to upgrade skills and enhance development. During the reporting period, a total of TZS 299.7 million was spent for the above-mentioned training programmes. The low spending is associated with execution of the training programmes in accordance with relevance and timing.

**4.3.2. Medical Assistance**

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

**4.3.3. Staff Loans and Advances**

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

**4.3.4. Persons with Special needs**

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of a member of staff becoming disabled, every effort is made to ensure that his/her employment with the Board continues and appropriate training is arranged. It is the policy of the Board that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees. During the reporting period there were no incidences of accommodating persons with special needs.

**4.3.5. Retirement Benefits**

The Board contributes statutory deductions towards employees' pension scheme administered by PSSSF on behalf of all employees by 15% each and the employees contributes 5% to make a total of 20% of basic salary.

**4.3.6. Gender Policy**

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

The number of employees of the Board during the year was 24 staff whose composition included 19 males and 5 females.

**OVERVIEW OF BOARD'S PERFORMANCE**

**6.0 Procedures for Revenue Collecting, disbursing of funds and monitoring of utilization of the Roads Fund**

Pursuant to Section 5 (4) (c), (d), (g), (h) and (i) of the Roads and Fuel Tolls Act, [Cap 220 R.E 2019], the Roads Fund Board is mandated to collect, disburse and monitor the use of the Roads Fund. The funds collected are deposited in the Fund's account and disbursed to Road Agencies. The schematic presentation of the collection and disbursement of funds is as shown by Figure 1.

**6.1.1 Collections**

The revenues for the Fund are collected by Collecting Agencies. The appropriated funds are collected by TRA from Fuel Levy and Transit Fees and are deposited in the Roads Fund Account under the mandate of Ministry of Finance and Planning.

The Ministry of Finance and Planning transfers the collected revenue available in the Account to the Roads Fund Disbursement Account for disbursement to Road Agencies. Overloading related charges and Roads Reserve User Charges which are termed as miscellaneous revenue, are collected by Road Agencies and deposited directly to the Roads Fund Board Disbursement Account.

**6.1.2 Disbursement of Funds**

The funds are disbursed to Road Agencies according to the formula after deduction of Administration costs. Currently the Road Agencies are TANROADS, TARURA, MoWT



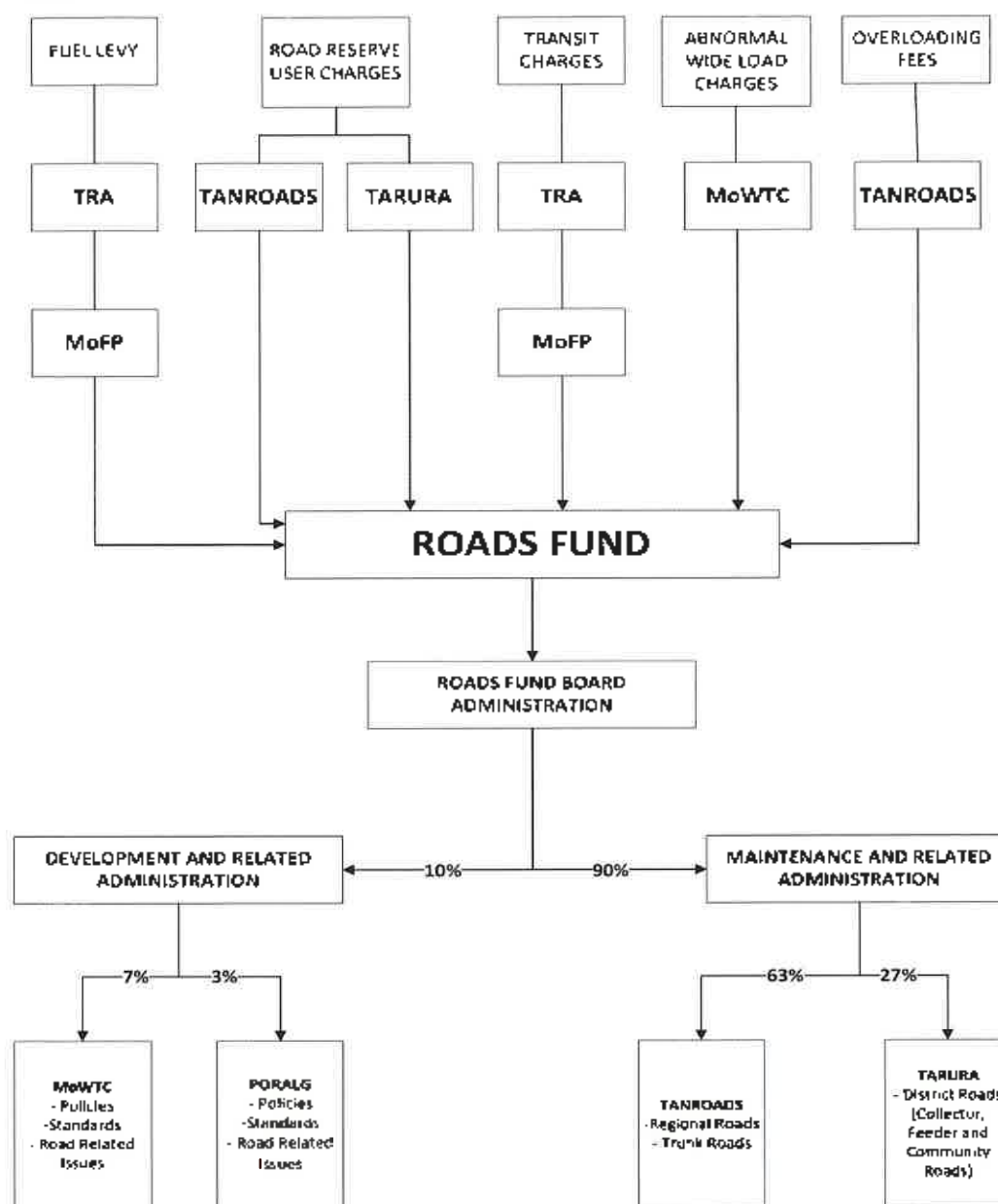
and PORALG. According to the formula which were developed pursuant to the Roads and Fuel Tolls Act, [Cap 220 R.E 2019]; Seventy percent (70%) of total remaining balance of Roads Fund is allocated for National roads (Trunk and Regional roads) and 30% is for District roads (Collector, Feeder and Community roads). Ten percent (10%) of the 70% which is seven percent (7%) is allocated to the Ministry of Works and Transport to support development projects and policy issues and 90% of the same (63%) is allocated to TANROADS for maintenance of National roads and related administrative costs. Equally, 10% of the 30% for District roads (equivalent 3%) is allocated to the PORALG to support development projects and policy issues for District roads and, 90% of the same (27%) is allocated to TARURA for maintenance of District roads and related administrative costs.

#### 6.1.3 Monitoring

To execute the function of monitoring the use of the funds disbursed to Roads Agencies for the purpose of the objects of the Fund; the Board signs Performance agreements with Road Agencies and conducts the monitoring in accordance with the signed agreement. The Monitoring is affected through various ways which are in-house visits by the Board's staff, financial auditing conducted by the Controller and Auditor General and preventive technical auditing conducted by hired consultants.

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**Figure 1: Schematic procedures for collection and disbursement of Roads Fund**



## 6.2 Key Performance Indicators

RFB operations are guided by a Five Years Strategic Plan for FY 2021/22 to FY 2025/26. The budget and later the performance of the Board is gauged against the Strategic Plan which is used as a guidance during budget and mid-term review to ensure the validity of the plan in achieving the Board's Vision. The Board prepares activities for the year in line with strategic plan to ensure Board objectives are attained. During the FY 2022/23 the Board carried out its activities in accordance to the approved plan and budget and in line with the Road and Fuels Tolls Act, [Cap 220 R.E 2019].

The following are some of the achievements of the RFB based on KPIs as stipulated in Strategic Plan:

**Table No. 3: Key Performance Indicators**

SN	Performance Indicators	Target (Plan)	Actual Performance	Achievement
1.	Increase in road maintenance financing capacity	10%	-10%	-10%
2.	Disbursement of Fund to Road Agencies	100%	100%	100%
3.	Monitoring utilization of Fund's: i. Inhouse monitoring in 10 regions ii. Development partners financed road projects.	10 Regions 100%	10 Regions were monitored all Development Partners' financed projects (Agriconnect Project) were monitored	100% 100%
4.	Meet Road Maintenance needs (financing of unconstrained roads maintenance budget)	60%	40%	67%

**Note:**

As per RFB Strategic Plan 2021/22 -2025/26, it was projected that by June 2023 the Fund would be able to meet maintenance needs by 60% towards a target of 75% by FY 2025/26. Efforts were made to increase the revenue sources. However, the proposals were not approved. This together with the approved TZS100 per litre that do not come to the Fund resulted in downward change of budget and hence failure to achieve the target.

## 6.3 Budgetary Performance

### a) Subvention from other Government Entities

During the financial year 2022/23, a total of TZS 1,014,442 billion were reported by TRA to have been collected from fuel levy and transit charges against an estimate of TZS 865.294 billion (equivalent to 117%).

Details of Appropriated collections for the financial year of 2022/23 is as summarized in Table 4 below:

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**b) Miscellaneous revenue and other sources of Fund**

**(i) Overloading related charges and Road Reserve User charges**

Apart from Fuel levy and Transit charges, the Fund have other legally recognized sources of revenue, which are not channelled through appropriation procedures due to their nature. They are either deterrent in nature that aims at enforcing compliance to law with targeted zero revenue or their formal mechanism of collection is still at formulation.

Overloading related charges and Road Reserve User charges are grouped under this category. They have a token budget but due to operational efficiency or non-compliance they achieve above their budget. The trend for this group of revenue is as shown in the Table 5 below.

**Table no 5: Performance of Miscellenous Revenue (Fees,fines and penalties)**

Financial Year	Approved Estimates	Actual Collections				Variance
	(A)	Overloading (B)	Abnormal Overload (C)	Road Reserve(D)	Total (E) = (B+C+D)	(E-A)
<b>TZS</b>						
2022/23	21,000,000,000	6,212,803,416	19,267,558,343	9,797,574,198	35,277,935,957	14,277,935,957
2021/22	12,500,000,000	7,885,102,226	17,689,110,484	6,301,567,158	31,875,779,868	19,375,779,868
2020/21	31,500,000,000	16,241,066,627	11,145,845,364	6,819,137,786	34,206,049,777	2,706,049,777
2019/20	12,500,000,000	6,205,865,645	3,225,038,904	9,408,587,663	18,839,492,212	6,339,492,212
2018/19	12,500,000,000	7,133,338,392	2,827,330,959	5,426,385,273	15,387,054,624	2,887,054,624

*Source: TANROADS, MoW & RFB*

As shown in the table, during the financial year 2022/23, a total of **TZS 35.278 billion** was collected from miscellaneous revenue sources against an estimate of **21 billion** (equivalent to 168%). This achievement implies that there is unexpected overloading on roads which is not encouraged and increased transportation of abnormal load

**(ii) Other Income**

A total of **TZS 342,849,853** was earned from renting of office spaces and respective service charges and gain on foreign exchange transactions against the approved estimates of **TZS 461,500,000** resulting into under collection of **TZS 118,408,353** (26%). Details of budget vs actual earnings is shown in Table 6 below:

**Table 6: Budget vs Actual of Other Income (TZS)**

Item	Budgeted	Actual	Variance	% Actual
Rental Income	384,583,333	320,369,887	-64,213,446	83%
Service Charge	76,916,667	22,479,966	-54,436,701	29%

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Item	Budgeted	Actual	Variance	% Actual
Miscellaneous Receipt	0	241,794	241,794	0%
<b>Total</b>	<b>461,500,000</b>	<b>343,091,647</b>	<b>-118,408,353</b>	<b>74%</b>

Analysis below shows the trend of Actual revenues of other income for five consecutive years.

**Table 7: Trend of Other Income**

Financial year	Approved estimate (TZS)	Actual Collection (TZS)	(Under)/Over collection (TZS)	% Actual
2022/2023	461,500,000	343,091,647	(-118,408,353)	74%
2021/2022	439,479,216	399,288,174	(40,191,042)	91%
2020/2021	439,479,216	384,305,765	(55,173,451)	87%
2019/2020	439,479,216	399,411,972	(40,067,244)	91%
2018/2019	-	201,045,700	201,045,700	100%

From the above table, collection from other income for the year 2022/23 have decreased by TZS 56,196,527 equivalent to 14% as compared to the previous year collections.

#### 6.3.1 Capital and Development Performance Review

RFB Capital and Development expenditure for the FY 2022/23 is made up of Property, Plant and Equipment. This is in relation to completion of construction of Staff houses and cafeteria (buildings) and furnishing of residential and office building.

**Table 8a: Budget Vs Actual Capital and Development Expenditure for FY year 2022/23**

Item	Budget	Actual	Variance	% Variance
	TZS	TZS	TZS	
Acquisition of Property, Plant and Equipment	543,590,234	372,259,430	171,330,804	32%
Research and Development	500,000,000	0	500,000,000	100%
<b>Total</b>	<b>1,043,590,234</b>	<b>372,259,430</b>	<b>671,330,804</b>	<b>64%</b>

From the table above, it can be noted that, there was under expenditure of TZS. 671 million on capital expenditure funds equivalent to 64% of the budgeted amount. The under expenditure is due to the fact that there was no research financed in the year and construction of buildings were already completed and transferred to proper classes of PPE (Office Buildings and Residential Buildings).

The table below shows the trend of financial performance overview of the RFB Capital and Development expenditure for the four consecutive years from 2018/19 to 2021/22:

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**Table 8b: Trend of Budget Vs Actual Capital and Development Expenditure**

Financial Year	Approved Estimates (TZS)	Actual expenditure (TZS)	Variance (TZS)	% of Variance
2022/2023	1,043,590,234	372,259,430	671,330,804	64
2021/2022	1,382,000,000	536,545,445	845,454,555	72
2020/2021	2,091,485,339	1,382,042,547	709,442,792	34
2019/2020	2,440,000,000	241,988,326	2,198,011,674	90
2018/2019	941,000,000	1,439,427,769	498,427,769	53

### 6.3.2 Movements on items in the Statement of Financial Position

#### a) Accounts Receivable

As at 30 June, 2023, apart from staff related receivables the Board had outstanding Accounts Receivable of TZS 395,284,815 whose aging analysis indicated that 77% of the amount were outstanding for more than 12 months. Most of which pertains to long term Staff loans (see table 9 below)

**Table 9: Age analysis Accounts Receivables**

Period	Financial year ended 30 June 2023		Financial year ended 30 June 2022	
	Amount (TZS)	%	Amount (TZS)	%
Within 12 months	90,551,369	23	71,095,043	12
More than 12 months	304,733,447	77	497,768,527	88
<b>Total</b>	<b>395,284,815</b>	<b>100</b>	<b>568,863,570</b>	<b>100</b>

#### b) Accounts Payable and Accruals

As at 30<sup>th</sup> June, 2023, Roads Fund Board had an outstanding accounts payable balance of TZS 236,897,026 whose aging analysis indicated that 75% of the amount were outstanding for more than 12 months while 25% were outstanding for less than 12 months. (see table 10 Below)

**Table 10: Age Analysis Accounts Payable and Accruals**

Period	Financial year ended 30 <sup>th</sup> June, 2023		Financial year ended 30 <sup>th</sup> June 2022	
	Amount (TZS)	%	Amount (TZS)	%
within 12 months	59,404,824	25	59,706,485	39
more than 12 months	177,492,202	75	92,986,181	61
<b>Total</b>	<b>236,897,026</b>	<b>100</b>	<b>152,692,666</b>	<b>100</b>

#### c) Investment in ICT and Intangible Assets

The main objective of ICT Unit is to provide quality and timely information and communication to the Board using the respective technology (ICT). It primarily aims at providing the Board and Management reasonable IT support in achieving RFB objectives.

The following ICT related activities were planned and executed during the period under review:

##### (i) Disaster Recovery Plan Testing:

This is a quarterly based task in order to have assurance that the backed up data to eGA data Centre is consistency with the RFB primary data, the ICT unit conducted the DRP testing so as to ascertain the reliability of the replicated data to DR site.

The activity was conducted by the internal staff through parallel testing to ensure that the data are correctly replicated to the other side.

**(ii) Improvement and Restructuring of RFB MIS and Office Operations:**

The task involved rectifying issues and modifying existing processes in order to improve the Management Information System. The system is operational and improvement will be done upon need.

**(iii) Deployment of e-Monitoring Application:**

The development of the software had been completed for both mobile application and USSD platforms, and the improvement on the management portal has been completed. The application was launched on 25<sup>th</sup> July 2022 in Mwanza, which was followed by the training to both TARURA and TANROADS representatives in August 2022. Furthermore, the follow up training was conducted in December 2022 to some of the identified regions due to accumulation of incidences submitted by the road users.

**(iv) Coordinate the Maintenance of ICT equipment:**

The exercise included maintaining of all office equipment (Servers, Network Devices, Desktops, Laptops and Printers). Two (2) exercises of maintenance of office equipment were completed during the period under review. The exercise was conducted through engagement of the consultant but supervised by the internal staff. Moreover, the renewal of the subscription of the meeting software (Convene) was done.

## **7.0 SOLVENCY**

Those charged with Governance of the Fund confirm that applicable Standards have been properly applied and that the financial statements have been prepared on a going concern basis. They have reasonable expectation that the Roads Fund Board has adequate financial resources to continue operations in the foreseeable future.

## **8.0 FUTURE PLANS**

The Strategic Plan that covers FY 2021/22 to 2025/26 have five objectives which strives to excellence in roads fund management for enhanced good public roads networks. The objective are as follows:

- A. Funding adequacy for road maintenance enhanced;
- B. Value for money on operations of Road Agencies enhanced; and
- C. RFB capacity to undertake its mandate improved.
- D. HIV/ AIDS infections reduced and non-communicable diseases interventions improved;
- E. National Anti-Corruption Strategy enhanced, sustained and effectively implemented;



The last two objectives are cross cutting, the Board strives to achieve its core objectives while observing Government directive on cross cutting objectives related to HIV/AIDS and Corruption. The Board plans to continue with various studies on prospective new sources for enhanced roads maintenance funding adequacy and conduct various fund utilization monitoring to enhance value for money in the projects of the road agencies. For the perfect achievement RFB staff capacity building programs are in place.

**9.0 POST FINANCIAL POSITION EVENTS**

The Board is not aware of any significant matter or circumstances that may arise after reporting period which would significantly affect the financial position of the Roads Fund Board and results of its operations as laid out in these financial statements.

**10.0 ACCOUNTING POLICIES**

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

**11.0 CAPITAL MANAGEMENT**

RFB capital includes Tax Payer's Fund, Accumulated surplus and Development Partners' support. The primary objective of the Board's capital management is to ensure that it maintains a strong assets base in order to support its objectives and maximize achievement of stakeholders' expectations. During the FY 2022/23 this objective remained intact.

**12.0 STATUTORY AUDITORS**

The Controller and Auditor General (CAG) is the statutory Auditor of the Roads Fund Board by virtue of Article 143 of the Constitution of the United Republic of Tanzania, Public Audit Act No. 11 of 2008 RE 2021 and Section 4(6) of the Roads and Fuel Tolls Act Cap 220.

**13.0 ENVIRONMENTAL ISSUES**

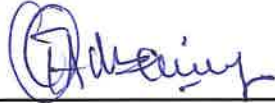
Due to the nature of the Board's operations, there is no environmental costs to report. However, in a course of ensuring that the operations of the road agencies are technically and financially sound; the Board fosters road agencies' adherence to environmental issues in execution and reporting of road projects.

During the reporting period, Road Fund Board engaged in different environmental issues including convened a stakeholder meeting on the Impact of Climate Change in Road Projects, setting aside fund for tackling environmental emergencies such as flood, heavy rains that could have adverse impact on roads. The Board also applies different methods of working which are environmentally friendly such as using softcopies while conducting various meeting hence saving costs related to printing.

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BY ORDER OF THE BOARD



VICE CHAIRMAN OF THE ROADS FUND BOARD

DATE: 31<sup>st</sup> August 2023

## COMMENTARIES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 1. INTRODUCTION

The Roads Fund Board (RFB), in the financial year 2022/23 continued to implement its Strategic Plan for 2021/22 to 2025/26. The plan that was prepared in line with its establishing laws, the CCM Election Manifesto of 2020, the National Development Vision 2025, Five years National Development Plan 2021/22 to 2025/26 and other Government Commitments. The Five years Strategic Plan is translated in annual planned activities, which are then translated into monetary terms in the form of budget. The execution and results of the budget are then presented in the form of financial reports. These Financial Statements have been prepared in accordance with Public Finance Act, [Cap 348 RE 2020], international Public Sector Accounting Standards Accrual Basis (IPSAS-Accrual) and Treasury Circulars and Guidelines as issued from time to time.

### 2. OVERVIEW OF FINANCIAL STATEMENTS

The Financial statements comprises statement of Financial Position, statement of Financial Performance by nature, and changes in net assets/equity, Cash flow statements, statement of comparison of budget and actual amount and notes to the financial statements of the Roads Fund Board as at 30th June, 2023

#### 2.1 STATEMENT OF FINANCIAL POSITION

The statement of financial position comprises of assets on one hand and the financing of that assets on the other hand. The financing is by liabilities, capital fund and accumulated results of performance (accumulated surplus or deficit). The assets are in the form of cash and cash equivalent, receivables, Prepayments and Advances, Intangible Assets, Plant, properties and equipment. The liabilities are Payables and Accruals, Deposits payable and Deferred Income. Capital is represented by Taxpayer's Fund and Development Partners Support.

##### 2.1.1 Cash And Cash Equivalents

Cash and Cash Equivalent as at 30<sup>th</sup> June, 2023 was TZS 73,755,178,557 compared to TZS 54,561,987,679 as at 30<sup>th</sup> June, 2022. Cash and Cash Equivalent as at 30<sup>th</sup> June, 2023 comprises of unamortized money received from development Partners through PORALG and from World Bank for financing Road Inventory and Condition survey. Other balances pertain to collections received from Overloading and Abnormal load fees and Road Reserve User charges of which utilization solely depends upon approval by the Board in relation to special allocations and emergency roads works (Miscellaneous). Further, there are deposits received from other public entities, security deposits from RFB Tenants.

##### 2.1.2 Receivable

Receivables as at 30 June, 2023 were TZS 395,284,816 compared to TZS 568,863,570 as at 30 June 2022. The decrease in receivable is mainly due to continued recovery of staff loans and rental.

**2.1.3 Intangible Assets**

This comprises of various software which enable smooth operations of the Board. They included Management Information system (MIS), Convene and others. The carrying amount of Intangible Assets as at 30 June 2023 was TZS 182,155,881 same as it was in the previous financial year.

**2.1.4 Property, Plant and Equipment (PPE)**

During the reporting period the carrying value of PPE stood at TZS 8,757,967,666 as compared to TZS 6,905,028,648 for 2021/22. The increase in carrying amount of PPE was mainly due to capitalization of Work in Progress and furnishing of completed construction of staff houses and cafeteria.

**2.1.5 Work In Progress**

This pertained to Construction works of Cafeteria Building and Staff Residential houses. The value of Work in Progress as at 30<sup>th</sup> June 2023 is zero as a result of capitalization to PPE. No Work is in progress.

**2.1.6 Deposits**

As at 30 June 2023, Deposits stood at TZS 22,392,739 mainly representing amount of Retention for the defect liability period and funds returned by banks not applied. The comparable amount in the previous financial is TZS 26,920,082

**2.1.7 Payable And Accruals**

As at 30 June, 2023, Payable and Accruals stood at TZS 236,897,026 representing gratuity payable to some RFB staff with specific fixed employment contract, rental security payable, imprest payable to some staff, miscellaneous and payable to other government entities including VAT and Withholding Tax. The comparable amount in the previous financial year is TZS 125,772,584

**2.1.8 Deferred Income**

The balance in Deferred Income of TZS 61,408,739,685 is related to funds received from development Partners payable upon fulfilling of projects execution conditions and a release from the Ministry of Work and Transport which was received in June 2023 and disbursed in July 2023. The previous financial year balance stood at TZS 38,778,516,673.

**2.1.9 Capital Fund**

There is no change in this item.

**2.2 STATEMENT OF FINANCIAL PERFORMANCE**

The Statement of Financial Performance describes the general financial activities and results of the operations of Roads Fund Board by matching revenue and expenses during the year.

**2.2.1 Revenue Grants**

This represents amount amortized from local and foreign grants. During the reporting period, a total of TZS 735,923,306,150 was amortized as income and transferred to Roads Agencies.

It comprises of TZS 711,281,529,789 local and TZS 24,654,531,104 foreign. The previous financial year amount amortized was TZS 950,569,813,957. The decrease is due to fuel levy and transit charges collection in respect of the months of October and November 2022 that were not received.

**2.2.2 Levies**

This represents revenue from rented property. A total of TZS 342,849,853 was earned from Renting of Office space and respective service charges imposed to tenants during financial year 2022/23. Comparative figure is TZS 399,288,175 was collected during the financial year 2021/22.

**2.2.3 Fees, Fines, Forfeit and Penalties**

This represents Fees, Fines, Forfeit and Penalties and others as presented in Notes No. 17,19 and 31. During the Financial year 2022/23, Road Fund Board earned TZS 35,277,935,957 from above named sources. The revenue earned comprises of Overloading fees, Abnormal Overload Fees and Road Reserve User Charges. Likewise, Fees and Fines, earned in FY 2021/22 amounted to TZS 32,153,845,509.

**2.2.4 Depreciation of Property, Plants and Equipment**

Depreciation expense amounting to TZS 340,911,999 was charged on non- current assets of Roads Fund during the financial year 2022/23 while TZS 274,526,764 was charged in the financial year 2021/22

**2.2.5 Maintenance Expenses**

During the Financial year TZS 348,760,898 was incurred as maintenance expenses as compared to TZS 235,618,148 incurred in FY 2021/22. The increase in expenditure were in respect of periodic renovation done in the office and residential buildings.

**2.2.6 Other Expenses**

An amount of TZS 4,827,229,458 was incurred during the year 2022/23 to facilitate various expenditure grouped as other expenses, compared to TZS 2,734,446,208 which was incurred in the financial year 2021/22. The increase in expenditure were associated with Consultancy service on Collection of baseline data and development of a spatial database for the public roads network of mainland Tanzania.

**2.2.7 Use of Goods and Services**

An amount of TZS 4,673,995,837 was incurred during the year 2022/23 to facilitate expenditure on supplies and consumable goods, compared to TZS 2,857,105,354 which was incurred in the financial year 2021/22. The increase in expenditure is attributed to increased monitoring and evaluation activities including the use of technical consultants on the works executed by the Road Agencies.

**2.2.8 Wages, Salaries and Employee Benefits**

During the Financial year 2022/23, RFB incurred TZS 3,747,060,768 for personal emoluments and other personal allowances as compared to TZS 2,762,665,984 incurred in the previous year. The expenditure comprises of salaries, wages and personal allowances such as electricity, housing, leave travel, outfit, sitting, medical insurance. The increase is attributable to increase in staff number and salary increments

**2.2.9 Grants and Transfer Payments**

A total of TZS 761,274,314,309 was transferred to Road Agencies as roads fund appropriated expenditure and special allocation in FY 2022/23 as compared to TZS 967,159,991,328 transferred in the year 2021/22. The amount was lower as compared to the previous year because collection for the months of October and November 2022 were not remitted to the Fund.

**2.2.10 Other Transfers**

A total of TZS 23,878,321,831 for other transfer pertains to expenditure incurred during the year in respect of special requests and emergency road works on a case by case basis.

**2.2.11 Provision for Bad and Doubtful Debts**

This pertains to a staff whose debt has become doubtful and the chances of recovery have become slim, hence, the need for provision amounting to TZS 17,785,602

**2.3 STATEMENT OF CASH FLOWS**

The statement of Cash Flow shows how the balance of cash and Cash equivalent is generated. At the end of the reporting period cash and cash equivalent was TZS 73,755,178,557 generated from Operating and investing activities as follows:

**2.3.1 Cash Flow from Operating Activities**

During the financial year 2022/23, the Roads Fund Board received a total of TZS 794,380,600,956 from various revenue sources as compared to 1,002,386,196,853 received in the financial year 2021/22. The amount comprised of appropriated sources, miscellaneous collections and donor funds.

Out of the collections, TZS 774,815,150,646 was spent for operating activities such as wages, salaries, employee benefits, supplies and consumables goods, routine maintenance and repair and transfer payments.

Net cash flows from operating activities stood at TZS 19,565,450,310 as compared to TZS 26,512,637,104 of the year 2021/22.

**2.3.2 CASHFLOW FROM INVESTING ACTIVITIES**

A total amount of TZS 372,259,429 was spent for purchase of non-current assets compared to TZS 698,474,577 spent in the financial year 2021/22. The decrease in

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expenditure is due to the fact that construction of Cafeteria Building and Staff Houses were in the final touches.

**2.3.3 COMPARISON BETWEEN BUDGET AND ACTUAL**

In the financial year 2022/23, a total of TZS 794,380,600,956 was received by Roads Fund Board as compared to final approved budget of TZS 903,907,431,738. There is a deficit of receipts of TZS 108,530,798,211 in respect of appropriated budget. Accordingly, there is a surplus between total receipts and total payments amounting to TZS 19,193,190,881.

**AUTHORIZATION DATE**

The financial statements will be submitted to the Controller and Auditor General (CAG) on or before 31 August 2023 and will be authorized for issuance after being tabled on and discussed by the Parliament on or by 31 March 2024.



Engineer Rashid S. Kalimbaga  
ACTING CHIEF EXECUTIVE OFFICER

Date: 31.8.2023

## 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 Members /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 Members as shown under Board Members' Responsibility statement on an earlier page.

I, CPA John R. Aswile, being the Director of Finance and Accounting of Roads Fund Board hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2023, 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: Director of Finance and Accounts

NBAA Membership No.: FCPA (T) 1168

Date: 31.08.2023



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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2022/23 TZS	2021/22 TZS
<b>ASSETS</b>			
<b>Current Asset</b>			
Cash and Cash Equivalents	62	73,755,178,557	54,561,987,679
Receivables	67	395,284,815	568,863,570
<b>Total Current Asset</b>		<b>74,150,463,372</b>	<b>55,130,851,249</b>
<b>Non-Current Asset</b>			
Property, Plant and Equipment	77	8,757,967,666	6,905,028,648
Intangible Assets	78	182,155,881	182,155,880
Work In Progress	82	0	1,821,591,587
<b>Total Non-Current Asset</b>		<b>8,940,123,547</b>	<b>8,908,776,115</b>
<b>TOTAL ASSETS</b>		<b>83,090,586,919</b>	<b>64,039,627,364</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables and Accruals	89	236,897,026	125,772,584
Deferred Income	93	61,408,739,685	38,778,516,673
Deposits	94	22,392,739	26,920,082
<b>Total Current Liabilities</b>		<b>61,668,029,452</b>	<b>38,931,209,339</b>
<b>TOTAL LIABILITIES</b>		<b>61,668,029,452</b>	<b>38,931,209,339</b>
<b>Net Assets</b>		<b>21,422,557,467</b>	<b>25,108,418,025</b>
<b>NET ASSETS</b>			
<b>Capital Contributed by:</b>			
Development Partners' Support	101	99,287,978	99,287,978
Taxpayers' Fund	101	56,842,610	56,842,610
Accumulated Surpluses		21,266,426,879	24,952,287,437
<b>TOTAL NET ASSETS</b>		<b>21,422,557,467</b>	<b>25,108,418,025</b>

Notes 1-105 form part of these financial statements



Acting Chief Executive Officer

Date: 31.8.2023



Board Vice Chairman

Date: 31<sup>st</sup> August 2023

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STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	Note	2022/23	2021/22
		TZS	TZS
<b>REVENUE</b>			
Revenue			
Revenue from Exchange Transactions	17	9,797,574,198	6,744,452,188
Levies	18	342,849,853	399,288,175
Fees, Fines, Penalties and Forfeits	19	19,267,558,343	17,689,110,484
Other Revenue	31	6,212,803,416	7,720,282,837
Subvention from other Government entities	32	735,923,306,150	950,569,813,957
<b>Total Revenue</b>		<b>771,544,091,960</b>	<b>983,122,947,641</b>
<b>TOTAL REVENUE</b>		<b>771,544,091,960</b>	<b>983,122,947,641</b>
 <b>EXPENSES AND TRANSFERS</b>			
Expenses			
Wages, Salaries and Employee Benefits	34	3,747,060,768	2,762,665,984
Use of Goods and Service	35	4,673,995,837	2,857,105,354
Maintenance Expenses	36	348,760,898	235,618,148
Depreciation of Property, Plant and Equipment	77	340,911,999	274,526,764
Loss on Disposal of Assets	44	0	15,084,713
Provision for Bad & Doubtful Debts	45	17,785,602	0
Other Expenses	52	4,827,229,458	2,734,446,208
<b>Total Expenses</b>		<b>13,955,638,209</b>	<b>8,879,447,171</b>
Transfer			
Grants and Transfers	59	737,395,992,478	967,159,991,328
Other Transfers	60	23,878,321,831	0
<b>Total Transfer</b>		<b>761,274,314,309</b>	<b>967,159,991,328</b>
<b>TOTAL EXPENSES AND TRANSFERS</b>		<b>775,229,952,518</b>	<b>976,039,438,499</b>
<b>Surplus / (Deficit)</b>		<b>(3,685,860,557)</b>	<b>7,083,509,143</b>

Notes 1-105 form part of these financial statements



Acting Chief Executive Officer

Date: 31.8.2023



Board Vice Chairman

Date: 31<sup>st</sup> August 2023


THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WORKS TRANSPORT AND COMMUNICATION  
OR010000 - ROADS FUND BOARD

STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2023

	Development Partners Support TZS	Tax Payer's Fund TZS	Accum. Surplus/(Deficit) TZS	Total TZS
Opening Balance as at 01 July 2022	99,287,978	56,842,610	24,952,287,437	25,108,418,025
Surplus/(Deficit) for the Year	0	0	(3,685,860,557)	(3,686,420,473)
Closing Balance as at 30 Jun 2023	99,287,978	56,842,610	21,266,426,879	21,422,557,467
Opening Balance as at 01 July 2021	99,287,978	56,842,610	17,868,778,294	18,024,908,882
Surplus/(Deficit) for the Year	0	0	7,083,509,143	7,083,509,143
Closing Balance as at 30 Jun 2022	99,287,978	56,842,610	24,952,287,437	25,108,418,025

Notes 1-105 form part of these financial statements

  
Acting Chief Executive Officer  
Date: 31.8.2023

  
Board Vice Chairman  
Date: 31<sup>st</sup> August 2023


THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WORKS TRANSPORT AND COMMUNICATION  
OR010000 - ROADS FUND BOARD

**CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023**

	2022/23 TZS	2021/22 TZS
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>RECEIPTS:</b>		
Subvention from other Government entities	758,553,529,162	969,277,278,180
Revenue Grants	0	0
Revenue from Exchange Transactions	9,797,574,199	0
Other Revenue	6,450,518,344	504,267,622
Levies	311,420,908	450,805,542
Fees, Fines, Penalties and Forfeits	19,267,558,343	32,153,845,509
<b>Total Receipts</b>	<b>794,380,600,956</b>	<b>1,002,386,196,853</b>
<b>PAYMENTS:</b>		
Wages, Salaries and Employee Benefits	3,750,400,645	2,746,872,184
Use of Goods and Service	4,617,317,995	2,842,909,974
Other Transfers	23,878,321,830	0
Other Expenses	4,819,829,458	2,734,446,208
Maintenance Expenses	348,760,898	235,618,148
Grants and Transfers	737,395,992,478	967,159,991,328
Decrease in Deposit	4,527,342	153,721,908
<b>Total Payments</b>	<b>774,815,150,646</b>	<b>975,873,559,750</b>
<b>NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES</b>	<b>19,565,450,310</b>	<b>26,512,637,104</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>Investing Activities</b>		
Payment for Work in Progress	0	556,894,715
Acquisition of Property, Plant and Equipment	372,259,429	141,579,862
Acquisition of Intangibles	0	0
<b>Total Investing Activities</b>	<b>372,259,429</b>	<b>698,474,577</b>
<b>NET CASH FLOW USED IN INVESTING ACTIVITIES</b>	<b>372,259,429</b>	<b>698,474,577</b>
 Net Increase in cash and cash equivalent	 19,193,190,881	 25,814,162,527
Cash and cash equivalent at beginning of period	54,561,987,678	28,747,825,151
<b>Cash and cash equivalent at end of period</b>	<b>73,755,178,557</b>	<b>54,561,987,678</b>

*Notes 1-105 form part of these financial statements*

  
Acting Chief Executive Officer  
Date: 31.8.2023

  
Board Vice Chairman  
Date: 31<sup>st</sup> August 2023

**THE UNITED REPUBLIC OF TANZANIA**  
**MINISTRY OF WORKS TRANSPORT AND COMMUNICATION**  
**OR010000 - ROADS FUND BOARD**

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30 JUNE 2023**

	Original Budget	Reallocation	Revised Final Budget	Actual Amount		Variance	
	TZS	TZS	TZS	TZS	TZS	TZS	TZS
<b>RECEIPTS</b>							
Subvention from Other Government Entities	865,294,953,999	0	865,294,953,999	758,553,529,162		106,741,424,837	
Revenue from Exchange Transactions		0		9,797,574,199		9,797,574,199	
Other Revenue	15,887,785,168	0	15,887,785,168	6,450,518,344		9,437,266,824	
Levies	461,500,000	0	461,500,000	311,420,908		150,079,092	
Fees, Fines, Penalties and Forfeits	22,263,192,571	0	22,263,192,571	19,267,558,343		2,995,634,228	
<b>Total Receipts</b>	<b>903,907,431,738</b>	<b>0</b>	<b>903,907,431,738</b>	<b>794,380,600,956</b>		<b>109,526,830,782</b>	
<b>PAYMENTS</b>							
Wages, Salaries and Employee Benefits	3,454,284,166		3,454,284,166	3,750,400,645		296,116,479	
Use of Goods and Service	3,880,143,674	(611,054,000)	3,269,089,674	4,617,317,995		(1,348,228,321)	
Other Transfers	23,964,139,419	743,181,000	24,707,320,419	23,878,321,830		828,998,589	
Other Expenses	14,397,769,022	(415,421,000)	13,982,348,022	4,819,829,458		9,162,518,564	
Maintenance Expenses	372,551,224	283,294,000	655,845,224	348,760,898		307,084,326	
Grants and Transfers	856,794,953,999		856,794,953,999	737,395,992,478		119,398,961,521	
Decrease in Deposits	0	0	0	4,527,342		(4,527,342)	
Acquisition of Property, Plant and Equipment	543,590,234		543,590,234	372,259,429		171,330,805	
Acquisition of Intangibles	500,000,000		500,000,000	0		500,000,000	
<b>Total Payment</b>	<b>903,907,431,738</b>	<b>0</b>	<b>903,907,431,738</b>	<b>775,187,410,075</b>		<b>128,720,021,661</b>	
<b>Net Receipts/Payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,193,190,881</b>		<b>19,193,190,881</b>	

Notes 1-105 form part of these financial statements

Acting Chief Executive Officer  
Date: 31-8-2023

Board Vice Chairman  
Date: 31-8-2023

Controller and Auditor General

ML/CG/RFB/2022/23

**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2023**

**1. Introduction:**

**(i) Establishment of Roads Fund Board**

The Roads Fund Board is a government institution established by the Roads and Fuel Tolls Act, [Cap. 220 RE 2019]. The Board is responsible for managing the Fund into which all monies collected as roads and fuel tolls for roads maintenance are paid.

**(ii) The address**

The address of the Board is:

Roads Fund Building,

11 AMWAR Road,

P. O Box 993,

41107 DODOMA MAKULU, DODOMA

Telephone: +255 26 2963277-8

Fax: +255 26 2963279-80

Email address: [info@roadsfund.go.tz](mailto:info@roadsfund.go.tz)

More information can be accessed from the Roads Fund Board's website, which is:

[www.roadsfund.go.tz](http://www.roadsfund.go.tz)

**(iii) Auditors and banker details**

Auditors: The Board's affairs are audited by the Controller and Auditor General

Bankers: The Board's banker is the Bank of Tanzania, CRDB Bank PLC, Tanzania Commercial Bank, NBC and NMB

**(iv) Statement of Compliance and Basis of Preparation of Financial statements  
- IPSAS 1**

The Board's financial statements are prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) Accrual Basis. The financial statements are presented in Tanzanian shillings, which is the functional and reporting currency of the entity. 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**

The Board recognizes revenues when there is an inflow of resources from a non-exchange transaction recognized as an asset, except to the extent that a liability is also recognized in respect of the same inflow; 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.



Fuel Levy and Transit Charges are the common revenue from non-exchange transaction associated with a liability to transfer them to road Agencies. They are therefore recorded as deferred income and amortized when transferred.

**(ii) Revenue from Exchange Transactions - IPSAS 9**

Rent and related service charges are the common revenue from exchange transactions and are recognized when earned and 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 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%

**Land is not depreciated**

The residual value and the useful life of an asset is reviewed at each annual reporting date and, if expectations differ from previous estimates, the change(s) are accounted for as a change in an accounting estimate in accordance with IPSAS 3, Accounting Policies, Changes in Accounting Estimates and Errors.

**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. RFB recognizes all intangible assets as having infinite useful life and therefore attracting no amortization charges. Therefore, after initial recognition, intangible assets are carried at cost less 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

**e) 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.

**f) 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.

**g) 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.

**h) 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.

**i) Nature and Purpose of Reserves**

The Board maintains its Capital Fund and other reserves. It includes Tax Payers' funds, Development partners' support and retained 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.

**j) 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. In the reporting period there were no changes in accounting estimates.

**k) 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.

**l) 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.

**m) 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 and Transport.

**n) 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 collecting 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 imprest (petty cash) which were not surrendered or accounted for at the end of the financial year.

**o) Comparative Figures**

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

**p) 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.

**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**

The useful lives 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

**q) 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 30 June 2023.

**r) Work-in-Progress Policy**

Work-in-Progress is a noncurrent asset account in which the costs of constructing long-term, fixed assets are recorded. The account Work-in-Progress will have a debit balance and will be reported on the balance sheet as part of the Board's noncurrent or long-term asset section.

The costs of constructing the asset are accumulated in the account Work-in-Progress until the asset is completed and placed into service. When the asset is placed into service, the account Work-in-Progress will be credited for its balance (the accumulated costs) and will be recorded with a debit in the appropriate property, plant and equipment account.

Depreciation will begin after the asset after the asset is in deliverable state as intended by Management or is put into use.

**s) Stores General Policy**

Due to the nature of its operations, Roads Fund Board acquires consumable goods/stores when required for used and not for storing.

Consumable items are procured in small quantities depending annual procurement procedures.

Register for consumables item is been kept for recording the receipts and issues of consumables for the purpose of accountability.

**Report by Those Charged with Governance & Financial Statements for the period  
ended 30th June 2023**

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WORKS TRANSPORT AND COMMUNICATION  
OR010000 - ROADS FUND BOARD**

**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>TZS</b>	<b>TZS</b>
<b>17 - Revenue from Exchange Transactions</b>		
Road reserve fees	9,797,574,198	6,744,452,188
	<b>9,797,574,198</b>	<b>6,744,452,188</b>
<b>18 - Levies</b>		
Renting Space / Houses and respective service charges	342,849,853	399,288,175
	<b>342,849,853</b>	<b>399,288,175</b>
<b>19 - Fees, Fines, Penalties and Forfeits</b>		
Permit Fees	19,267,558,343	17,689,110,484
	<b>19,267,558,343</b>	<b>17,689,110,484</b>
<b>31 - Other Revenue</b>		
Miscellaneous Receipts	241,794	0
Overloading fees	6,212,561,622	7,720,282,837
	<b>6,212,803,416</b>	<b>7,720,282,837</b>
<b>32 - Subvention from other Government entities</b>		
Government Grant Development Foreign	24,654,531,104	20,071,052,450
Government Grant Development Local	711,268,775,046	930,498,761,507
	<b>735,923,306,150</b>	<b>950,569,813,957</b>
<b>34 - Wages, Salaries and Employee Benefits</b>		
Acting Allowance	5,986,000	1,164,000
Casual Laborers	49,443,600	81,067,800
Civil Servants	1,363,943,457	1,193,507,209
Extra-Duty	583,565,000	167,150,855
Furniture	1,060,000	94,000,000
Honoraria	824,090,000	413,811,841
Housing allowance	13,800,000	21,600,000
Leave Travel	91,174,000	84,570,000
National Health Insurance Schemes(NHIF)	5,239,320	0
Outfit Allowance	0	700,000
Sitting Allowance	145,941,130	78,810,000
Statutory Contributions	166,863,253	226,959,300
Telephone	87,507,709	91,697,879
Transport Allowance	408,447,299	307,627,100
	<b>3,747,060,768</b>	<b>2,762,665,984</b>
<b>35 - Use of Goods and Service</b>		
Advertising and Publication	125,602,730	59,828,500
Air Travel Tickets	203,865,032	102,830,627
Cleaning Supplies	12,000,000	6,000,000
Computer Software	5,304,000	0
Computer Supplies and Accessories	23,584,100	13,550,000
Conference Facilities	87,880,006	101,485,641
Consumable Medical Supplies	0	1,951,950

**Report by Those Charged with Governance & Financial Statements for the period  
ended 30th June 2023**

Diesel	147,296,155	138,964,186
Educational Radio and TV broadcasting programming	69,090,000	0
Electricity	60,409,553	56,915,835
Entertainment	28,503,450	0
Exhibition, Festivals and Celebrations	5,220,000	800,000
Food and Refreshments	221,285,456	157,058,060
Fumigation	10,040,000	1,168,653
Gifts and Prizes	77,629,000	14,600,000
Ground travel (bus, railway taxi, etc.)	557,479,389	280,419,358
Internet and Email connections	65,659,710	40,784,606
Newspapers and Magazines	1,833,600	4,509,160
Office Consumables (papers, pencils, pens and stationaries)	47,096,317	69,933,224
Outsourcing Costs (includes cleaning and security services)	184,568,680	163,978,975
Per Diem - Domestic	1,795,022,819	955,185,342
Per Diem - Foreign	104,414,890	76,860,322
Posts and Telegraphs	4,901,550	3,081,500
Printing and Photocopying Costs	45,200,300	31,182,650
Remuneration of Instructors	15,500,000	4,488,000
Rent of Private vehicles	11,999,980	47,753,175
Small engineering tools and equipment	3,100,000	2,197,040
Software License Fees	48,763,430	52,561,042
Subscription Fees	11,560,573	22,928,543
Training Allowances	108,455,971	119,090,840
Training Materials	0	2,593,361
Tuition fees	136,266,011	225,408,256
Uniforms and Ceremonial Dresses	10,200,000	0
Upkeep Allowances	420,811,496	61,288,279
Water Charges	18,710,467	30,234,669
Wire, Wireless, Telephone, Telex Services and Facsimile	4,634,819	7,473,560
	<b>4,673,889,484</b>	<b>2,857,105,354</b>
<b>36 - Maintenance Expenses</b>		
Computers, printers, scanners, and other computer related equipment	51,975,037	33,733,466
Direct labor (contracted or casual hire)	16,368,187	19,200,000
Fire Protection Equipment	1,050,000	0
Motor Vehicles and Water Craft	76,587,999	53,314,439
Outsource maintenance contract services	202,779,675	129,370,243
	<b>348,760,898</b>	<b>235,618,148</b>
<b>44 - Loss on Disposal of Assets</b>		
Losses on disposal of property, plant and equipment	0	15,084,713
	<b>0</b>	<b>15,084,713</b>
<b>45 - Provision for Bad &amp; Doubtful Debts</b>		
Staff Receivables	17,785,602	0
	<b>17,785,602</b>	<b>0</b>
<b>52 - Other Expenses</b>		
Audit fees	69,350,000	371,393,000

**Report by Those Charged with Governance & Financial Statements for the period  
ended 30th June 2023**

Burial Expenses	3,400,000	5,595,000
consultancy fees	3,062,428,104	1,679,033,596
Director's Fee	56,562,500	44,412,500
Honorariums (expert opinion)	1,615,337,403	634,012,113
Insurance Expenses	20,151,451	0
	<b>4,827,229,458</b>	<b>2,734,446,208</b>
<b>59 - Grants and Transfers</b>		
Tanzania Rural and Urban Road Agency (TARURA)	190,525,319,599	302,040,175,851
Ministry of Works (MoW)	52,429,721,078	0
PO Regional Administration and Local Government	24,729,608,716	0
Tanzania National Road Agency (TANROADS)	469,711,343,085	665,059,815,477
Treasury Registrar	0	60,000,000
	<b>737,395,992,478</b>	<b>967,159,991,328</b>
<b>60 - Other Transfers</b>		
Contribution to CF (15%)	20,000,000	0
Disbursement Transfer	23,858,054,530	0
Revenue Transfer	267,300	0
	<b>23,878,321,831</b>	<b>0</b>
<b>62 - Cash and Cash Equivalents</b>		
Cash in hand	2,325,576	0
Commercial Own source revenue	1,043,333	1,043,333
Deposit General Cash Account	19,919,856	17,724,844
Development Expenditure Cash Account	6,792,512,699	1,117,581,257
Imprest cash account	20,307,920	0
Loan Cash Account	326,163,675	251,109,072
Own source Collection Account - CRDB	672,103,648	664,844,100
Own source Collection Account - NBC	382,107	451,128
Own source Collection Account - NMB	4,340,362	0
Own source Development Expenditure	60,687,539,045	3,637,749,185
Own source Recurrent Expenditure GF	780,161,942	48,870,484,760
Petty Cash	1,000,000	1,000,000
Revenue Collection Cash Account	1,584,637,152	(0)
Unapplied Cash Account	1,000,267,300	0
USD BOT Collection Account	1,862,473,942	0
	<b>73,755,178,557</b>	<b>54,561,987,679</b>
<b>67 - Receivables</b>		
Imprest Receivable	50,492,830	0
Levies	101,932,834	70,503,889
Other Revenue - Receivable	260,644,753	498,359,681
Provision for Bad and Doubtful Debts(Impairment of Receivables)	(17,785,602)	0
	<b>395,284,816</b>	<b>568,863,570</b>

**Report by Those Charged with Governance & Financial Statements for the period  
ended 30th June 2023**

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**Note 89 Payables and  
Accruals**

Descriptions	Opening	Paid	Rejected	Addition	Balance
Advance for Work in Progress	0	0	0	0	0
Advance Utility	0	0	0	0	0
Gratuity payable	0	0	0	0	0
Loan Payable	0	0	0	0	0
Miscellaneous and other account payables	1,630,200	0	0	0	1,630,200
Miscellaneous and other Deductions	0	0	0	0	0
Office Rent	20,964,131	0	0	0	20,964,131
Other payables	0	0	0	7,400,000	7,400,000
Payables to other government entities	13,355,081	0	0	0	13,355,081
Retention	0	0	0	0	0
Staff Claims	62,022,050	0	0	(3,339,877)	58,682,173
Supplies of goods and services	0	0	0	9,711,535	9,711,535
Tax payables	4,726,004	0	0	0	4,726,004
VAT Payables	21,977,977	0	0	(0)	21,977,977
Withholding Tax payables	1,097,142	0	0	74,719,289	75,816,430
Withholding tax	0	0	0	0	0
Imprest Payable	0	0	0	22,633,496	22,633,496
<b>TOTAL</b>	<b>125,772,584</b>	<b>0</b>	<b>0</b>	<b>111,124,442</b>	<b>236,897,026</b>

**93 - Deferred income**

Deferred Income

61,408,739,685	38,778,516,673
61,408,739,685	38,778,516,673

**94-Deposit**

Deposit General	4,941,293	11,645,228
Retention.	14,942,553	15,274,853
Unapplied Deposit Account	2,508,893	0
	<b>22,392,739</b>	<b>26,920,082</b>

*Report by Those Charged with Governance & Financial Statements for the period ended 30th June 2023*

**Note 77- Property, Plant and Equipment**

Particulars	Land	Office building	Residential building	MVs/vehicles	Office equipment	Office furniture & fittings	Residential furniture	Total
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Cost as at 01.07.2022	714,900,000	5,511,820,672	780,040,800	762,541,458	1,024,358,724	371,498,119	178,401,193	9,343,560,967
Additions during the year	-	528,461,869	1,485,441,706	-	3,300,000	9,079,392	167,568,050	2,193,851,017
Transfer from WIP	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-	-	-
Cost as at 30.06.2023	714,900,000	6,040,282,541	2,265,482,506	762,541,458	1,027,658,724	380,577,511	345,969,243	11,537,411,984
Acc. Depreciation as at 01.07.2022	-	623,407,613	92,980,863	518,199,314	908,016,516	222,456,969	73,471,044	2,438,532,319
Depreciation charge for the year	-	120,805,651	45,309,650	41,034,852	42,943,501	47,572,189	43,246,155	340,911,999
Depreciation on disposal for the year	-	-	-	-	-	-	-	-
Acc. Depreciation as at 30.06.2023	-	744,213,264	138,290,513	559,234,166	950,960,018	270,029,158	116,717,199	2,779,444,318
Net Book Value as at 01.07.2022	714,900,000	4,888,413,060	687,059,937	244,342,144	116,342,208	149,041,150	104,930,149	6,905,028,648
Net Book Value as at 30.06.2023	714,900,000	5,296,069,278	2,127,191,992	203,307,292	76,698,706	110,548,353	229,252,044	8,757,967,666



**Report by Those Charged with Governance & Financial Statements for the period ended 30th June 2023**

PARTICULARS	LAND	OFFICE BUILDING	RESIDENTIAL BUILDING	MOVABLES	OFFICE EQUIPMENT'S	OFFICE FURNITURE & FITTINGS	RESIDENTIAL FURNITURE	TOTAL
	TZS.	TZS.	TZS.	TZS.	TZS.	TZS.	TZS.	TZS.
Cost as at 01.07.2021	714,900,000	5,511,820,672	780,040,800	943,558,008	962,513,856	365,503,119	104,661,200	9,382,997,656
Additions during the year	-	-	-	-	61,844,868	5,995,000	73,739,993	141,579,861.34
Disposal during the year	-	-	-	(181,016,550)	-	-	-	(181,016,550)
Cost as at 30.06.2022	714,900,000	5,511,820,672	780,040,800	762,541,458	1,024,358,724	371,498,119	178,401,193	9,343,560,967
Acc. Depreciation as at 01.07.2021	-	513,171,199	77,380,047	634,785,609	868,273,637	176,706,631	59,620,269	2,329,937,392
Depreciation charge for the year	-	110,236,413	15,600,816	49,345,543	39,742,879	45,750,338	13,850,775	274,526,764
Depreciation on disposal for the year	-	-	-	165,931,838	-	-	-	165,931,838
Acc. Depreciation as at 30.06.2022	-	623,407,613	92,980,863	518,199,314	908,016,516	222,456,969	73,471,044	2,438,532,319
Net Book Value as at 01.07.2021	714,900,000	4,998,649,473	702,660,753	308,772,399	94,240,219	188,796,488	45,040,931	7,053,060,264
Net Book Value as at 30.06.2022	714,900,000	4,888,413,059	687,059,937	244,342,144	116,342,208	149,041,150	104,930,149	6,905,028,648

Note 78 -Movement schedule for Intangible Assets

Particulars	MIS TZS	Convene Software TZS	Boomgate Software TZS	Other Software TZS	Total TZS
Cost as at 1 July 2022	41,438,088	63,032,330	20,761,887	56,923,576	182,155,881
Additions during the year					
Disposal during the year					
Cost as at 30 June 2023	41,438,088	63,032,330	20,761,887	56,923,576	182,155,881
Acc. Impairment as at 1 July 2022					-
Impairment charge for the year					-
Acc. Impairment as at 30 June 2023					-
Net Book Value as at 30 June 2023	41,438,088	63,032,330	20,761,887	56,923,576	182,155,880
Net Book Value as at 30 June 2023	41,438,088	63,032,330	20,761,887	56,923,576	182,155,880

Notes 82 - Work in Progress												
		Cost				Accumulated Depreciation and Impairment						
Descriptions	At 01-July-2022	Addition	Transfers	Dispos- al	30- Jun- 2023	01-Jul- 2022	Charge during the year - Depreciation	Adjust- ment	Transfer	Disposal	30- June- 2023	Carrying Value
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Buildings other than dwellings - WIP	1,821,591,587	0	1,821,591,587	0	(0)	0	0	0	0	0	0	(0)
Total	1,821,591,587	0	1,821,591,587	0	(0)	0	0	0	0	0	0	(0)

**Report by Those Charged with Governance & Financial Statements for the period  
ended 30th June 2023**

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**Note 101: Contributed Capital**

Development Partner Support	99,287,978	99,287,978
Taxpayers' Fund	56,842,610	56,842,610
	<b>156,130,588</b>	<b>156,130,588</b>

**Note 102: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT) FOR THE PERIOD ENDED 30 JUNE 2023**


	2023	2022
	TZS	TZS
Surplus/(Deficit) for the Period	(3,685,860,557)	7,083,509,143
Add/ (Less) Non-Cash Item		
Depreciation of Property, Plant and Equipment	340,911,999	274,526,764
Loss on Disposal of Assets	0	15,084,713
Add/ (Less) Change in Working Capital		
Deferred Income	22,630,223,012	18,707,464,223
Deposit	(4,527,341)	(153,721,908)
Payables and Accruals	111,124,442	15,793,800
Receivables	173,578,754	569,980,369
Net Cash Flow from Operating Activities	<b>19,565,450,310</b>	<b>26,512,637,104</b>


**Note 103: The Reconciliation of Actual Amounts on a comparable basis between Statement of Comparison of Budget and Actual Amounts and Statement of Cash Flows for the year ended 30 June 2023**

Description	Operating TZS	Financing TZS	Investing TZS	Total TZS
Actual Amount on Comparable Basis as Presented in the Comparison of Budget and Actual Amount	19,565,450,310		(372,259,429)	19,193,190,881
Basis Differences	-	-	-	-
Timing Differences	-	-	-	-
Entity Differences	-	-	-	-
Actual Amount in the Statement of Cash Flows	19,565,450,310	-	(372,259,429)	19,193,190,881

**Report by Those Charged with Governance & Financial Statements for the period ended 30th June 2023**

Note 105: Material differences between Revised Final Budget and Actual Amounts					
Description	Revised Final Budget	Actual Amount	Variance	% Variance	Comments
	TZS	TZS	TZS		
<b>RECEIPTS</b>					
Fees, fines, penalties and Forfeits	22,263,192,571	19,267,558,343	2,995,634,228.00	13%	There were less incidences of overloading and abnormal load due to Efficient operation of weighbridges
Subvention from Other Government Entities	865,294,953,999	758,553,529,162	106,741,424,837.00	12%	Collection was below Road Fund Budget ceiling
<b>PAYMENTS</b>					
Grants, subsidies and other transfer	856,794,953,999	737,395,992,478	119,398,961,521.00	14%	Disbursement for Grants, subsidies and other transfer was below due to collection of the same.
Other Expenses	13,982,348,022	4,819,829,458	9,162,518,564.00	66%	The cause of under expenditure is due to timing difference following contract engagement processes
Acquisition of Intangibles	500,000,000	0	500,000,000	100%	There was no acquisition of Intangibles

  
Acting Chief Executive Officer  
Date: 31-8-2023

  
Board Vice-Chairman  
Date: 31-8-2023