

(NBAA)
THE NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS
TANZANIA



CLARIFICATION ON APPLICABILITY OF TECHNICAL PRONOUNCEMENT NO. 1
OF 2016: DECLARATION BY HEAD OF FINANCE/ACCOUNTING TO BE
INCLUDED IN THE FINANCIAL STATEMENTS OF ENTITIES IN TANZANIA

The National Board of Accountants and Auditors (NBAA) has been issuing Technical Pronouncements with a view to improving the implementation of accounting and auditing standards in Tanzania as and when necessary.

In an effort to enhance compliance with accounting standards and other statutory financial reporting requirements, the Board according to the powers conferred to it under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, issued a Technical Pronouncement No. 1 of 2016, which requires financial statements to include a declaration by the Head of Finance/Accounting signed by the registered accountant responsible for the preparation of those financial statements. This declaration however, does not absolve legal obligation under the laws to the Board of Directors’/Governing Bodies’ overall responsibility for the preparation of the financial statements.

The purpose of this Technical Pronouncement is to ensure that financial statements of the reporting entities in Tanzania are prepared by qualified accountants registered by the National Board of Accountants and Auditors.

The Board would like to clarify the following on the applicability the Technical Pronouncement No.1 of 2016: -

- a. For reporting entities that do not have a registered accountant, they are allowed to outsource a registered individual to sign this declaration provided that he/she has reviewed entity's financial statements and confirm that they have been prepared in compliance with the applicable accounting standards and statutory requirements relating to financial reporting and confirm that the financial statements give a true and fair view.
- b. For reporting entities whose head of finance/accounting is not a registered accountant, but there is an accounting/finance employee who is registered, such employee can sign a declaration provided that he/she has reviewed the financial statements and confirm that they have been prepared in compliance with the applicable accounting standards and statutory requirements relating to financial reporting and confirm that the financial statements give a true and fair view.
- c. Where a government entity does not have a registered accountant, a registered accountant from the Parent Ministry can sign the declaration provided that he/she has reviewed the financial statements and confirm that they have been prepared in compliance with the applicable accounting standards and statutory requirements relating to financial reporting and confirm that the financial statements give a true and fair view.
- d. For a foreign subsidiary company in Tanzania whose consolidation of the financial statements is done by a parent company outside Tanzania, a registered accountant by the NBAA can sign the declaration provided that he/she has reviewed the financial statements of the subsidiary company and confirm that they have been prepared in compliance with the applicable accounting standards and Tanzania statutory requirements relating to financial reporting and confirm that the financial statements give a true and fair view.

The Board believes that this clarification will assist in ensuring that all reporting entities in Tanzania comply with the requirements of the Technical Pronouncement No.1 of 2016.

For further information and clarification please contact:

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