

(NBAA)
THE NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS
TANZANIA



TECHNICAL PRONOUNCEMENT NO. 1 OF 2016

**DECLARATION OF HEAD OF FINANCE/ACCOUNTING
TO BE INCLUDED IN FINANCIAL STATEMENTS OF ENTITIES**

Tanzania decided to adopt full International Accounting and Auditing Standards in July 2004. These standards include International Financial Reporting Standards (IFRS) and IFRS for Small and Medium sized Enterprises (IFRS for SMEs) issued by International Accounting Standards Board; International Public Sector Accounting Standards (IPSAS) issued by International Public Sector Accounting Standards Board and International Auditing Standards (IAS) issued by International Auditing and Assurance Standards Board.

The National Board of Accountants and Auditors (NBAA) has been issuing Technical Pronouncements with a view of improving the implementation of those 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 under Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires an inclusion of the declaration within the financial statements to be issued by the Head of Finance or Accounting 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.

Advantages of such declaration include:

- Ensures more accountability of the Head of Finance/Accounting in the preparation of financial statements.
- Ensures compliance with all applicable accounting standards and legal reporting requirements.
- Ensures the Head of Finance/Accounting takes extra care and vigilance in the preparation and disclosure requirements under the financial statements.
- Ensures that financial statements have been prepared by a competent and qualified professional accountant.

All financial statements will be required to include the Declaration by Head of Finance/Accounting indicating name of the professional accountant, signature, date signed, and the NBAA membership number of the signatory.

The declaration will state compliance with applicable accounting standards and statutory requirements relating to financial reporting and confirm that the financial statements give a true and fair view position of the concerned entity.

The Declaration by the Head of Finance/Accounting should appear immediately after the Statement of Directors' Responsibility.

This pronouncement will become effective for financial statements with accounting period ending on or after 30th June 2016.

**For further information and clarification please contact:
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