

**(NBAA)**  
**THE NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS**  
**TANZANIA**

**EXAMINERS' AND PERFORMANCE REPORT**

**13<sup>RD</sup> DIPLOMA IN IPSAS EXAMINATIONS – FEBRUARY 2023**

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Foreword**

The introduction of Diploma in IPSAS is in accordance to the authority granted to the Board under the Accountants and Auditors (Registration) Act, Cap.286, Section 4, where the Board has the mandate to conduct examinations and grant diplomas, certificates and other awards of the Board in accountancy and allied subjects. Under this mandate and effort to meet the demand of the highly specialized personnel in International Public Sector Accounting Standards, diploma in IPSAS was introduced. The Board started Diploma in IPSAS in July 2016 and continues with the course to date. Normally the course has two examination sessions in each year. A candidate who will fail either single or both papers will be required to re-sit in the next examination session.

#### **1.2 Objective of the report**

The Report is intended to avail to trainers and candidates, the examinations' overall general performance, specific areas of weaknesses and suggestions for improvement. It is an important guide to candidates as well as trainers, setters, markers and moderators of the Board's future examinations.

Analysis of the examination performance is presented in this report. The Examiners' Report is supported by relevant statistical analysis of the candidates' performance in each examination paper.

#### **1.3 Acknowledgement**

On behalf of the Board and on my own behalf, I wish to convey my very sincere appreciation to all persons who willingly supported the Board in this demanding professional task. I am indeed particularly thankful to the Board's Examiners, Markers, Invigilators, the Board's Secretariat, the Education and Publications Committee and the Governing Board for their much-appreciated co-operation during the whole process of the NBAA's 13<sup>th</sup> Intake Diploma in IPSAS examinations session.

Once again, I would like to reiterate that the Examiners' Report is prepared to help trainers and the Board's candidates to improve on their future performance by learning from previous experiences. I therefore, call upon readers of this Report to come up with constructive suggestions on how to improve further the examination process and reports arising therein.

Yours sincerely,

**CPA Pius A. Maneno**  
**EXECUTIVE DIRECTOR**

## CHAPTER TWO

### EXECUTIVE SUMMARY OF THE 13<sup>TH</sup> DIPLOMA IN IPSAS EXAMINATIONS SESSION

#### 2.1 Preamble:

The Board conducts its **Diploma in IPSAS** examinations twice in a year during the months of August and February. This session is the 13<sup>th</sup> Intake Diploma in IPSAS examination session in which the examinations were conducted on Monday 20<sup>th</sup> and Wednesday 22<sup>nd</sup> February, 2023.

There were 60 candidates who sat for the examinations for one subject with two papers, thus 53 candidates sat for both papers closed book paper (D01) and open book paper (D02), while 05 candidates sat for closed book paper (D01) only and 02 candidates sat for open book paper (D02) only.

The candidature distribution in this session is as shown in Table 1:

**Table 1:** Candidature distribution in 13<sup>th</sup> Diploma in IPSAS examination session

Subject	No. of entries
DO1 Closed Book Paper and DO2 Open Book Paper	53
DO1 Closed Book Paper only	05
DO2 Open Book Paper only	02
<b>Total</b>	<b>60</b>

#### 2.2 Examination Performance

**Table 2: Paper-wise Candidates' Performance 13<sup>th</sup> Diploma in IPSAS  
Examinations February, 2023**

SUBJECT	NO. CANDIDATE	PASS	%	FAIL	%
DO1 Closed Book Paper	58	56	96.6	2	3.4
DO2 Open Book Paper	55	44	80.0	11	20

**Table 3: Overall Candidates' Performance 13<sup>th</sup> Diploma in IPSAS Examinations February, 2023**

<b>Description</b>	<b>Pass</b>	<b>Referred D01</b>	<b>Referred D02</b>	<b>Failed (D01 &amp; D02)</b>	<b>Total</b>
No. of Candidates	47	01	11	01	60
Percentage	78.3	1.7	18.3	1.7	100

**2.2.1 Candidates qualifying for the award of letters of success for Diploma in IPSAS Certificate**

In this 13<sup>th</sup> Intake Diploma in IPSAS examinations forty-seven (47) candidates qualified for the award of the Diploma in IPSAS.

**2.2.2 Candidates required to sit for the referred paper(s)**

In this 13<sup>th</sup> Intake Diploma in IPSAS examinations twelve (12) candidates are required to re-sit one paper on either D01 or D02.

**2.2.3 Candidates required registering and sitting for all papers**

In this 13<sup>th</sup> Intake Diploma in IPSAS examinations one (01) candidates failed both papers and is required to register and sit for both papers.

## **CHAPTER THREE**

### **ANALYSIS OF EXAMINATION PERFORMANCE**

#### **3.1 D01 – CLOSED BOOK PAPER**

##### **I: PRINCIPAL LEARNING OUTCOME**

Principal learning outcome of this paper is to examine candidates' ability to apply International Public Sector Accounting Standards in providing accounting services for the public sector.

##### **II: STRUCTURE OF THE QUESTION PAPER:**

The paper comprised four questions of which candidates were required to answer all.

##### **III: ACCOUNTING STANDARDS EXAMINED AND CANDIDATES' PERFORMANCE**

In this examination session, candidates were examined on the following accounting standards:

#### **QUESTION 1: IPSAS 1- PRESENTATION OF FINANCIAL STATEMENTS**

Candidates were required to: -

- (a) Indicate overall considerations which are implicit in the preparation and presentation of accrual based IPSAS's financial statements.
- (b) Use the given information to prepare: -
  - (i) Statement of Financial Position as at the year end.
  - (ii) Statement of Financial Performance for the year ended.
  - (iii) Statement of Changes in Net Assets/Equity for the year ended.

Candidates' performance in this question was satisfactory. Out of 58 candidates who answered the question, 40 (69.0%) passed while 18 (31.0%) candidates failed.

Some of the candidates could not manage to prepare a statement of changes in net assets/equity as well as confusing the elements of financial statements.

**QUESTION 2: IPSAS 37 – JOINT ARRANGEMENT  
IPSAS 20 – RELATED PARTY RELATIONSHIP  
IPSAS 31 – INTANGIBLE ASSETS**

Candidates were required to: -

- (a) Use the given scenarios to: -
  - (i) Identify related party relationships between parties and state any additional factors to consider in order to form a conclusion.
  - (ii) Prepare related party disclosures in each given scenario.
  
- (b) Use the given information to prepare: -
  - (i) Extract statement of financial performance
  - (ii) Extract statement of financial position.

Candidates' performance in this question was satisfactory. Out of 58 candidates who answered the question, 49 (84.5%) passed while 9 (15.5%) candidates failed.

Candidates failed to provide the required disclosures as per the cases provided and also failed to identify which cost should be capitalized as intangible assets and which cost to expense.

**QUESTION 3: IPSAS 44 – NON-CURRENT ASSETS HELD FOR SALE  
IPSAS 19 – PROVISIONS, CONTINGENT LIABILITIES AND  
CONTINGENT ASSETS**

Candidates were required to:

- (a) Use the given information to prepare a presentation to indicate: -
  - (i) Public sector specific issues the entity should consider when applying the provision of IPSAS 44.
  - (ii) The accounting treatments for non-current assets held for sale and discontinued operations including the required disclosures as per IPSAS 44.
  
- (b) Use the given information to prepare: -
  - (i) Extract statement of financial position at the year end
  - (ii) Extract statement of financial performance for the year ended.

Candidates' performance in this question was satisfactory. Out of 58 candidates who answered the question, 44 (75.9%) passed while 14 (24.1%) candidates failed.

Many candidates did not attempt part b of the question which indicates that they were not prepared for a question on revenue.

#### **QUESTION 4: IPSAS 16 – PROPERTY PLANT AND EQUIPMENT**

##### **IPSAS 3 – ACCOUNTING POLICIES, CHANGE IN ACCOUNTING ESTIMATES AND ERRORS**

Candidates were required to:

- (a) Use the given information to prepare: -
  - (i) Extract Statement of Financial Position as at the year end.
  - (ii) Extract statement of financial performance for the year ended.
  
- (b)
  - (i) Discuss the differences in cash-based policies and accrual-based policies in terms of the recognition and measurement of revenues and expenses.
  - (ii) Explain the guiding principles for formulating accounting policy
  - (iii) Enumerate conditions that mandate a change in accounting policy
  - (iv) Explain the treatment of changes in accounting policy and changes in accounting estimates.

Candidates' performance in this question was satisfactory. Out of 58 candidates who answered the question, 40 (69.0%) passed while 18 (31.0%) candidates failed.

Most of the candidates failed to calculate revaluation loss, while others treated revaluation loss as revenue in the statement of financial performance, and also some were not able to explain treatment of changes in accounting policy and estimates in accounting estimates.

#### **IV: GENERAL OBSERVATIONS**

(a) **Assessment of the paper**

The panel of examiners found the examination to be fair, well-balanced containing both easy and moderate questions which were relevant to the candidates' level and was well within the prescribed syllabus.

(b) **Overall Candidates performance**

Candidates' performance in this examination paper was satisfactory. Out of 58 candidates who answered the examination paper, 56 (96.6%) passed while 2 (3.4%) candidates failed.

The candidates' overall performance in the paper is as shown in Table 4 below:

**TABLE 4**

**D01 CLOSED BOOK PAPER CANDIDATES' PERFORMANCE ANALYSIS**

<b>CLASSIFICATION OF MARKS</b>	<b>0-49</b>	<b>50-100</b>	<b>TOTAL</b>
<b>NO. OF CANDIDATES (FREQUENCY)</b>	02	56	<b>58</b>
<b>PERCENTAGE</b>	3.4	96.6	<b>100</b>

### **3.2 D02 – OPEN BOOK PAPER**

#### **I: PRINCIPAL LEARNING OUTCOME**

Principal learning outcome of this paper is to examine candidates' ability to apply International Public Sector Standards in providing accounting services for public sector.

#### **II: STRUCTURE OF THE QUESTION PAPER:**

The paper comprised four questions of which candidates were required to answer all.

#### **III: ACCOUNTING STANDARDS EXAMINED AND CANDIDATES' PERFORMANCE**

In this examination session, candidates were examined on the following accounting standards:

#### **QUESTION 1: IPSAS 1 – PRESENTATION OF FINANCIAL STATEMENTS**

From the given information candidates were required to: -

- (a) Re-draft Statement of financial performance for the year ended.
- (b) Re-draft statement of financial position as at the year ended.
- (c) Prepare accounting policies for the following items: -
  - (i) Translation of foreign currencies.
  - (ii) Revenue
  - (iii) Provision for leave passage
  - (iv) Property, Plant and Equipment

Candidates' performance in this question was satisfactory. Out of 55 candidates who answered the question, 35 (63.6%) passed while 20 (36.4%) candidates failed.

Some candidates failed to draft the required accounting policies and also failed to identify which items to be expensed in the statement of financial performance and which item to be presented in the statement of financial position.

**QUESTION 2: IPSAS 40 – PUBLIC SECTOR COMBINATION  
IPSAS 5 – BORROWING COSTS**

Candidates were required to:

- (a) Use the given information to prepare a memo indicating: -
  - (i) The type of public sector combination resulted in the given scenario and its related accounting treatments.
  - (ii) What determine the classification for public sector combination.
  - (iii) The difference between public sector combination and consolidation.
- (b) Use the given information to prepare an extract statement of financial position supported with the relevant disclosures.

Candidates' performance in this question was satisfactory. Out of 55 candidates who answered the question, only 50 (90.9%) passed while 05 (9.1%) candidates failed

Most of the candidates failed on the part (b) in issues of treating and presenting borrowing costs, others could not even attempt the question.

**QUESTION 3: IPSAS 41 – FINACIAL INSTRUMENTS  
IPSAS 32 – SERVICE CONCESSION ARRANGEMENTS: GRANTOR**

Candidates were required to:

- (a) Use the given information to prepare a presentation elaborating the: -
  - (i) Basic concepts of service concession assets and the related accounting treatments as the grantor
  - (ii) Basic concepts of joint venture and the related accounting treatments in the books of a grantor.
- (b) Use the given information to: -
  - (i) Calculate the lifetime expected credit losses as at the year end.
  - (ii) Prepare an extract statement of financial performance for the year ended
  - (iii) Prepare extract statement of financial position as at the year ended.

Candidates' performance in this question was not satisfactory. Out of 55 candidates who answered the question, 22 (40%) passed while 33 (60%) candidates failed.

Most of the candidates failed to calculate expected credit loss hence more than 80% failed to prepare extract statement of financial performance and extract statement of financial position.

#### **QUESTION 4: INTRODUCTION TO IPSAS ACCRUAL AND THE CONCEPTUAL FRAMEWORK FOR GENERAL PURPOSE FINANCIAL STATEMENTS**

From the given explanation and information, candidates were required to:

- (a) Prepare a short presentation to elaborate the benefits which may be accrued by adopting accrual based IPSAS issued by the International Public Sector Accounting Standards Board (IPSASB) for public sector entities globally.
- (b) Explain the significance of the Conceptual Framework for general purpose financial reporting by public sector entities and the individual standards and the individual standards that are issued from time to time.

Candidates' performance in this question was satisfactory. Out of 55 candidates who answered the question, 41 (74.6%) passed while 14 (25.5%) candidates failed.

Most of candidates who failed mixed the benefits of accrual based IPSAS with the specific characteristics of public sector entities.

#### **IV: GENERAL OBSERVATIONS**

##### **(a) Assessment of the paper**

The panel of examiners found the examination to be fair, well-balanced containing both easy and moderate questions which were relevant to the candidates' level and was well within the prescribed syllabus.

**(b) Overall Candidates performance**

Candidates' performance in this examination paper was satisfactory. Out of 55 candidates who answered the question, 44 (80.0%) passed while 11 (20.0%) candidates failed.

The candidates' overall performance in the paper is as shown in table 5 below:

**TABLE 5**

**D02 OPEN BOOK PAPER CANDIDATES' PERFORMANCE ANALYSIS**

<b>CLASSIFICATION OF MARKS</b>	<b>0-49</b>	<b>50-100</b>	<b>TOTAL</b>
NO. OF CANDIDATES (FREQUENCY)	11	44	<b>55</b>
PERCENTAGE	20.0	80.0	<b>100</b>

## CHAPTER FOUR

### ACCOUNTING MANPOWER CREATED BY THE BOARD UP TO AUGUST 2021

In an effort to meet the demand of the highly needed accounting personnel in the country, the Board has been able to create cumulatively 787 accounting manpower through Diploma in IPSAS examinations since its inception in July 2016.

Table 6 below shows the statistics of graduates per session and cumulatively since July 2016.

**TABLE 6: DIPLOMA IN IPSAS GRADUATES – CUMULATIVE STATISTICAL ANALYSIS FROM JULY 2016 TO AUGUST 2022**

EXAMINATION SESSION	DIPLOMA IN IPSAS	
	NO.	CUM.
1 <sup>ST</sup> SESSION JULY,2016	91	91
2 <sup>ND</sup> SESSION FEBRUARY,2017	35	126
3 <sup>RD</sup> SESSION AUGUST,2017	45	171
4 <sup>TH</sup> SESSION FEBRUARY,2018	49	220
5 <sup>TH</sup> SESSION AUGUST,2018	38	258
6 <sup>TH</sup> SESSION FEBRUARY, 2019	54	312
7 <sup>TH</sup> SESSION AUGUST, 2019	44	356
8 <sup>TH</sup> SESSION FEBRUARY, 2020	65	421
9 <sup>TH</sup> SESSION FEBRUARY, 2021	129	550
10 <sup>TH</sup> SESSION AUGUST,2021	100	650
11 <sup>TH</sup> SESSION FEBRUARY,2022	64	714
12 <sup>TH</sup> SESSION AUGUST, 2022	73	787
13 <sup>TH</sup> SESSION FEBRUARY, 2023	47	834