



(NBAA)
THE NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS TANZANIA

EXAMINERS' AND PERFORMANCE REPORT

14TH DIPLOMA IN IPSAS EXAMINATIONS – AUGUST 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 examination 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 14th 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

EXECUTIVE SUMMARY OF THE 14TH DIPLOMA IN IPSASEXAMINATIONS SESSION

The Board conducts its **Diploma in IPSAS** examinations twice in a year during the months of August and February. This session is the 14th Intake of Diploma in IPSAS examination session in which the examinations were conducted on Monday 21st and Wednesday 23rd August, 2023.

There were 78 candidates who sat for the examinations for one subject with two papers, thus 69 candidates sat for both papers closed book paper (D01) and open book paper (D02), while 01 candidates sat for closed book paper (D01) only and 08 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 14th Diploma in IPSAS examination session

Subject	No. of entries
DO1 Closed Book Paper and DO2 Open Book Paper	68
DO1 Closed Book Paper only	01
DO2 Open Book Paper only	08
Total	78

Table 2: Paper-wise Candidates' Performance 14th Diploma in IPSASExaminations August, 2023

SUBJECT	NO. CANDIDATE	PASS	%	FAIL	%
DO1 Closed Book Paper	70	67	95.7	3	4.3
DO2 Open Book Paper	77	72	93.5	5	6.5

**Table 3: Overall Candidates' Performance 14th Diploma in IPSAS Examinations
August, 2023**

Description	Pass	Referred D01	Referred D02	Failed (D01 & D02)	Total
No. of Candidates	71	02	04	01	78
Percentage	91	2.6	5.1	1.3	100

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

In this 14th Intake Diploma in IPSAS examinations seventy one (71) candidates qualified for the award of the Diploma in IPSAS.

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

In this 14th Intake Diploma in IPSAS examinations nine (9) 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 14th Intake Diploma in IPSAS examinations one (01) candidate 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 2 - CASH FLOW STATEMENTS

IPSAS 19 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS.

IPSAS 14 – EVENTS AFTER THE REPORTING DATE

Candidates were required to: -

- (a) Use the given information to prepare a Cash Flow Statements for the year ended.
- (b) Prepare a memo explaining the below items including their recognition, measurement and presentation in the Financial Statements with example in each item: -
 - (i) Liabilities
 - (ii) Provisions
 - (iii) Contingent Liabilities
 - (iv) Contingent Assets
 - (v) Events after the reporting date

Candidates' performance in this question was satisfactory. Out of 70 candidates who answered the question, 59 (84.3%) passed while 11 (15.7%) candidates failed.

Some of the candidates failed to allocate items in the correct activities (Operating, Investing and Financing) while preparing a Cash Flow Statement.

**QUESTION 2: IPSAS 40 – PUBLIC SECTOR COMBINATIONS
IPSAS 12 – INVENTORIES**

Candidates were required to: -

- (a) Use the given information to: -
 - (i) Discuss what determines the classification and methods for accounting for Public Sector Combinations.
 - (ii) Prepare Opening Statement of Financial Position of the newly formed entity after the Public Sector Combination at the beginning of the year.
- (b) Use the given information to: -
 - (i) Explain situations where by inventories shall be expensed.
 - (ii) Prepare extract statement of financial performance for the year ended.
 - (iii) Prepare extract statement of financial position for the year ended.

Candidates' performance in this question was not satisfactory. Out of 70 candidates who answered the question, 30 (42.9%) passed while 40 (57.1%) candidates failed.

Most of candidates failed to discuss what determines the classification and methods for accounting for Public Sector Combinations and also failed to provide correct treatment of items when preparing the Opening Statement of Financial Position for the asset transferred on credit from one entity to the other and it was not recorded in one entity financial statements.

**QUESTION 3: IPSAS 1 – PREPARATION OF FINANCIAL STATEMENTS
IPSA 27 – AGRICULTURE**

Candidates were required to:

Use the given information to prepare: -

- (i) Journal entries required in the year to recognize transactions in the financial statements.
- (ii) Extract statement of financial position for the year ended.
- (iii) Extract statement of financial performance for the year ended.

- (iv) A memorandum to the entity management indicating the difference in accounting treatment between bearer plant and consumable biological asset with two examples in each.

Candidates' performance in this question was satisfactory. Out of 70 candidates who answered the question, 54 (77.1%) passed while 16 (22.9%) candidates failed.

There were no major weaknesses identified in this question but some of candidates failed to account for unharvested maize in the extract statements prepared.

QUESTION 4: IPSAS 1 – PREPARATION OF FINANCIAL STATEMENTS

IPSAS 2 – CASH FLOWS STATEMENTS

IPSAS 23 – REVENUE FROM NON-EXCHANGE TRANSACTIONS

Candidates were required to use the given information to prepare: -

- (i) Extract statement of financial performance for the year ended.
- (ii) Extract Statement of Financial Position as at the year end.
- (iii) Extract Cash Flow Statements for the year ended.
- (iv) Accounting policy for recognition of each type of revenue for the reporting entity.

Candidates' performance in this question was satisfactory. Out of 70 candidates who answered the question, 58 (82.9%) passed while 12 (17.1%) candidates failed.

Some of the candidates who failed were presenting land received by the entity free of charge in the cash flow statements while it is a non-cash item was not supposed to appear in the cash flow statements.

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 70 candidates who attempted the examination paper, 67 (95.7%) passed while 3 (4.3%) 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**

CLASSIFICATION OF MARKS	0-49	50-100	TOTAL
NO. OF CANDIDATES (FREQUENCY)	03	67	70
PERCENTAGE	4.3	95.7	100

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

IPSAS 3 – ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND CORRECTION OF ERROR

From the given information candidates were required to: -

- (a) Re-draft entity's statement of financial position as at the year ended in conformity with IPSAS 1 requirements.
- (b) Re-draft entity's Statement of financial performance for the year ended in conformity with IPSAS 1 requirements (expenses be presented based on nature).
- (c) Prepare accounting policies for the following items included in the financial statements of the reporting entity: -
 - (i) Property, Plants and Equipment's
 - (ii) Inventories
 - (iii) Revenue from taxes
 - (iv) Revenue from government subvention
 - (v) Financial assets
 - (vi) Revenue from butchery operation and tourism

Candidates' performance in this question was satisfactory. Out of 77 candidates who answered the question, 74 (96.1%) passed while 3 (3.9%) candidates failed.

Some candidates failed to rearrange information provided as current and non-current assets and those of revenue from exchange and non-exchange transactions also they failed to draft the required accounting policies.

QUESTION 2: IPSAS 35 – CONSOLIDATED FINANCIAL STATEMENTS

IPSAS 36 – INVESTMENT IN ASSOCIATES AND JOINT VENTURES

IPSAS 37 – JOINT ARRANGEMENTS

Candidates were required to:

- (a) Use the given information on various investments by the reporting entity to: -
 - (i) Explain the nature of the given four investments and their treatment in separate financial statements and consolidated financial statements of the reporting entity.
 - (ii) Prepare extract statement of financial position for the year ended.
 - (iii) Prepare extract statement of financial performance for the year ended.

Candidates' performance in this question was not satisfactory. Out of 77 candidates who answered the question, only 22 (28.6%) passed while 55 (71.4%) candidates failed.

Most of the candidates failed to identify the nature of provided investments and their treatment in separate and consolidated financial statements and most of the candidates failed to prepare extract statement of financial position and extract statement of financial performance.

QUESTION 3: INTRODUCTION TO IPSAS ACCRUAL.

THE CONCEPTUAL FRAMEWORK FOR GENERAL PURPOSE FINANCIAL REPORTING BY PUBLIC SECTOR ENTITIES (THE CONCEPTUAL FRAMEWORK).

Candidates were required to:

- (a) Use the given explanation and information to prepare a memorandum to Finance Committee of the entity convincing members on the applicability of International Public Sector Accounting Standards (IPSASs) in preparation of Council's financial statements instead of using International Financial Reporting Standards (IFRSs).
- (b) Provide explanation on the conceptual framework for general purpose financial reporting by public sector entities (the conceptual framework): -
 - (i) Indicating why the International Public Sector Accounting Standards Board (IPSASB) developed the framework.
 - (ii) On some concepts applicable for presentation of information in the general purpose financial reports of public sector entities as articulated in the conceptual framework.

Candidates' performance in this question was satisfactory. Out of 77 candidates who answered the question, 66 (85.7%) passed while 11 (14.3%) candidates failed.

Some candidates who failed were not able to clearly explain the concepts applicable for presentation of information in the general-purpose financial reports of public sector entities.

QUESTION 4: IPSAS 3 – ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATE AND CORRECTION OF ERRORS.

IPSAS 21 – IMPAIRMENT OF NON-CASH GENERATING ASSETS.

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

- (i) Redraft the Statement of Financial Performance of the reporting entity following the change of policy relating to capitalization of borrowing costs including notes if any.
 - (ii) Redraft Statement of Changes of Net Assets of the reporting entity following the change of policy relating to capitalization of borrowing costs including notes if any.
 - (iii) Explain the impact of the change if the entity decided to change useful life of the dam and not that of capitalization of borrowing costs.
- (a) Use the given information on the mini bus involved in accident to:
 - (i) Explain four (4) possible indication for identification of non-cash generating assets.
 - (ii) Prepare entity extract statement of financial position at the year ended.
 - (iii) Prepare extract statement of financial performance for the year ended.

Candidates' performance in this question was not satisfactory. Out of 77 candidates who answered the question, 26 (33.8%) passed while 51 (66.2%) candidates failed.

Most of candidates who failed were not able to redraft the statement of financial performance and redraft statement of changes of net assets for the change of policy relating to capitalization of borrowing costs by the entity and others failed to prepare extract statement of financial position and extract statement of financial performance for the impaired asset.

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 77 candidates who attempted the question, 72 (93.5%) passed while 5 (6.5%) 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

CLASSIFICATION OF MARKS	0-49	50-100	TOTAL
NO. OF CANDIDATES (FREQUENCY)	05	72	77
PERCENTAGE	6.5	93.5	100

CHAPTER FOUR

ACCOUNTING MANPOWER CREATED BY THE BOARD UP TO AUGUST 2023

In an effort to meet the demand of the highly needed accounting personnel in the country, the Board has been able to create cumulatively 905 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 2023**

EXAMINATION SESSION	DIPLOMA IN IPSAS	
	NO.	CUM.
1 ST SESSION JULY,2016	91	91
2 ND SESSION FEBRUARY,2017	35	126
3 RD SESSION AUGUST,2017	45	171
4 TH SESSION FEBRUARY,2018	49	220
5 TH SESSION AUGUST,2018	38	258
6 TH SESSION FEBRUARY, 2019	54	312
7 TH SESSION AUGUST, 2019	44	356
8 TH SESSION FEBRUARY, 2020	65	421
9 TH SESSION FEBRUARY, 2021	129	550
10 TH SESSION AUGUST,2021	100	650
11 TH SESSION FEBRUARY,2022	64	714
12 TH SESSION AUGUST, 2022	73	787
13 TH SESSION FEBRUARY, 2023	47	834
14 TH SESSION AUGUST, 2023	71	905

