



(NBAA)
THE NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS
TANZANIA

EXAMINERS' AND PERFORMANCE REPORT

16TH DIPLOMA IN IPSAS EXAMINATIONS – AUGUST 2024

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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 16th 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 16TH 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 16th Intake of Diploma in IPSAS examination session in which the examinations were conducted on Monday 19th and Wednesday 21st August, 2024.

There were 80 candidates who sat for the examinations for one or two subjects, thus seventy-four (74) candidates sat for both papers closed book paper (D01) and open book paper (D02), while two (02) candidates sat for closed book paper (D01) only and four (04) 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 16th Diploma in IPSAS examination session

Subject	No. of entries
DO1 Closed Book Paper and DO2 Open Book Paper	74
DO1 Closed Book Paper only	02
DO2 Open Book Paper only	04
Total	80

2.2 Examination Performance

Table 2: Paper-wise Candidates' Performance 16th Diploma in IPSAS Examinations August, 2024

SUBJECT	NO. CANDIDATE	PASS	%	FAIL	%
DO1 Closed Book Paper	76	74	97.4	2	2.6
DO2 Open Book Paper	78	73	93.6	5	6.4

**Table 3: Overall Candidates' Performance 16th Diploma in IPSAS Examinations
August, 2024**

Description	Pass	Referred D01	Referred D02	Absent (D02)	Total
No. of Candidates	72	02	5	01	80
Percentage (%)	90	2.5	6.1	1.3	100

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

In this 16th Intake Diploma in IPSAS examinations seventy-two (72) candidates qualified for the award of the Diploma in IPSAS Certificate.

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

In this 16th Intake Diploma in IPSAS examinations seven (7) candidates are required to re-sit one paper on either D01 or D02.

2.2.3 Candidates required registering and sitting for one paper

In this 16th Intake Diploma in IPSAS examinations one (01) absent for one paper (D02) to register and sit open book paper.

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 34 – SEPARATE FINANCIAL STATEMENTS, AND IPSAS 35 – CONSOLIDATE FINANCIAL STATEMENTS

- (a) From the given information candidates were required to: -
- (i) Prepare a cash flow statements for the year ended using direct method.
 - (ii) Explain four (4) benefits of cash flow information to users of financial statements.
- (b) By giving examples, prepare a brief memo to distinguish between consolidated financial statements and separate financial statements.

Candidates' performance in this question was satisfactory. Out of 76 candidates who answered the question, 1 (1.32%) passed while 75 (98.68%) candidates failed.

Candidates who failed were not able to differentiate cash flow generated from investing activities and those from financing activities.

QUESTION 2: IPSAS 42 – SOCIAL BENEFITS

- (a) Candidates were required to describe: -
 - (i) What is meant by social benefits in accordance with IPSAS 42.
 - (ii) How social benefits are recognized in the financial statements.
- (b) Candidates were required to: -
 - (i) Explain how equity method is used to account for investment in joint venture and investment in associate.
 - (ii) Prepare journal entries to record transactions mentioned in the given scenario.

Candidates' performance in this question was not satisfactory. Out of 76 candidates who answered the question, 22 (28.95%) passed while 54 (71.06%) candidates failed.

Most of candidates failed to explain how the equity method is used to account for investment in joint venture and investment in associates.

QUESTION 3: IPSAS 21 – IMPAIRMENT OF NON-CASH GENERATING ASSETS IPSAS 31 – INTANGIBLE ASSETS

- (a) From the given information, candidates were required to: -
 - (i) Explain four (4) possible indicators of impairment
 - (ii) Prepare extract statement of financial position for the third year.
 - (iii) Prepare extract statement of financial position for the fifth year.
 - (iv) Prepare extract statement of financial performance for year third year.
 - (v) Prepare extract statement of financial performance for year fifth year
- (b) Use the given information to prepare: -
 - (i) Extract statement of financial position as at the first and second year.
 - (ii) Extract statement of financial performance for the first and second year.

Candidates' performance in this question was not satisfactory. Out of 76 candidates who answered the question, 31 (40.79%) passed while 45 (59.21%) candidates failed.

Most of candidates could not differentiate between impairment loss and depreciation and consequently resulted into wrong entry in the extract financial position and financial performance.

QUESTION 4: IPSAS 20 – RELATED PARTY DISCLOSURES

IPSAS 14 – EVENTS AFTER REPORTING DATE

IPSAS 19 – PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (a) Candidates were required to prepare a memo to elaborate the following points: -
- The need for related party disclosures
 - Four possible issues to be disclosed under key management personnel for related party transaction
- (b) Prepare a circular note detailing the treatment of the given scenario in the financial statements for the first and second year.

Candidates' performance in this question was satisfactory. Out of 76 candidates who answered the question, 70 (92.11%) passed while 6 (7.89%) candidates failed.

Some of the candidates mixed the treatment of contingent liabilities and provision, some said that contingent liabilities are recognized while provisions are only disclosed.

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 76 candidates who attempted the examination paper, 74 (97.37%) passed while 2 (2.63%) 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)	02	74	76
PERCENTAGE (%)	2.63	97.37	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

- (a) From the given information, candidates were required to prepare: -
 - (i) Statement of financial performance
 - (ii) Statement of financial position
 - (iii) Statement of changes in net assets
- (b) Prepare a memo indicating the arguments for the need to prepare a statement of comparison of budget and actual amount.

Candidates' performance in this question was satisfactory. Out of 78 candidates who answered the question, 72 (92.31%) passed while 6 (7.69%) candidates failed.

Some candidates presented taxpayers fund as an item of a statement of financial performance instead of as an item of a statement of financial position.

QUESTION 2: CONCEPTUAL FRAMEWORK

IPSAS 44 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

- (a) Candidates were required to prepare a memo to describe three (3) merits and three (3) demerits of cash basis accounting and accrual basis accounting.
- (b) From the given information, candidates were required to prepare: -

- (i) Journal entries on the transactions date and as at the end of the reporting date and as at the end of the subsequent period of the reporting date.
- (ii) Extract of the statement of financial position as at end of the reporting period and as at the end of the reporting period for the subsequent period
- (iii) Provide instances where the provision of IPSAS 44 allows for extension of one year sale period.

Candidates' performance in this question was not satisfactory. Out of 78 candidates who answered the question, only 29 (37.18%) passed while 49 (62.82%) candidates failed.

Most of the candidates failed to prepare the required journal entries hence failed to prepare extract statement of financial performance and extract statement of financial position.

**QUESTION 3: IPSAS 28 – FINANCIAL INSTRUMENTS: PRESENTATION
IPSAS 41 – FINANCIAL INSTRUMENTS**

- (a) Candidates were required to: -
 - (i) Explain various items related to financial instruments
 - (ii) Indicate with reasons on whether items given can be classified as financial instruments.
- (b) Use the given information to determine the amount of credit loss allowance for receivables for the year ended and show journal entries to record the credit loss allowance.

Candidates' performance in this question was not satisfactory. Out of 78 candidates who answered the question, only 29 (37.18%) passed while 49 (62.82%) candidates failed.

Some candidates failed to indicate whether the items can be classified as financial instruments and most of them failed to determine the amount of credit loss allowance for receivables for the year ended.

QUESTION 4: INTRODUCTION TO IPSAS

IPSAS 32 – SERVICE CONCESSION ARRANGEMENTS

- (a) Candidates were required to: -
- (i) Describe pre-conditions that will be required to be covered in the binding arrangement for provisions under IPSAS 32 to apply.
 - (ii) Indicate the modes of payment that may be employed to pay for the loan that might be extended by operator for recovery of amount of assets that will be provided by the operators.
 - (iii) Accounting treatment in the book of the grantor for assets acquired by the operator.
- (b) Prepare a memo to indicate characteristics of public sector in which the IPSAS apply and their relevance to the non-governmental institutions.

Candidates' performance in this question was satisfactory. Out of 78 candidates who answered the question, 64 (82.06%) passed while 14 (17.94%) candidates failed.

Some candidates failed to explain the pre-conditions that will be required to be covered in the binding arrangements for provisions under IPSAS 32 to prevail.

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 78 candidates who attempted the question, 73 (93.59%) passed while 5 (6.41%) 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	73	78
PERCENTAGE	6.41	93.59	100

CHAPTER FOUR

ACCOUNTING MANPOWER CREATED BY THE BOARD UP TO AUGUST 2024

In an effort to meet the demand of the highly needed accounting personnel in the country, the Board has been able to create cumulatively 1024 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 2024

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
15 TH SESSION FEBRUARY, 2024	47	952
16 TH SESSION AUGUST, 2024	72	1024

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