

(NBAA)
THE NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS
TANZANIA



PUBLIC NOTICE

AUDIT FEES FOR AUDIT SERVICES PERFORMED BY AUDIT FIRMS

The NBAA Governing Board during its 178th Ordinary Meeting held on 27th June 2019 approved audit fees to be charged by audit firms for audit services. The approved audit fees will be effective for the audit of financial statements commencing 1st September 2019.

Approved audit fees are as shown in the table below;

Audit Team Member	Larger Audit Firms (rate per hour in TZS)	Medium Audit Firms (rate per hour in TZS)	Small Audit Firms (rate per hour in TZS)
Partner	700,000 – 900,000	500,000 – 700,000	300,000 – 500,000
Senior Manager	500,000 – 700,000	300,000 – 500,000	200,000 – 300,000
Manager	300,000 – 500,000	200,000 – 300,000	100,000 – 200,000
Senior 1	200,000 – 300,000	100,000 – 200,000	50,000 – 100,000
Senior 2	100,000 – 200,000	50,000 – 100,000	30,000 – 50,000
Assistant	70,000 – 100,000	30,000 – 70,000	20,000 – 30,000

Important note to the recommended charge out rates

- (a) The rates charged by audit firm should be based on the time spent on audits. Time records should be kept for each audit team involved in the audit engagement and should indicate the actual time spent at the end of each audit. Should it be necessary to spend more time than expected as a result of exceptional circumstances, such as unforeseen problems requiring additional work to be performed to express an opinion should be negotiated with the client and agreed prior to any work being carried out
- (b) Audit firms are required to review their audit approaches to ensure that up to date techniques are used to reduce to a minimum the time spent on audits. The audit approach should be in line with the International Standards on Auditing and applicable laws and regulations.
- (c) These fees are only applicable to audit of the financial statements. Fees for other work performed by auditor should be negotiated separately with the auditee concerned.

- (d) Travelling and any other out-of-pocket expenses that would be chargeable and reimbursed may vary from audit to audit and therefore are to be mutually agreed between the client and the auditor concerned.
- (e) Applicable Government taxes that are applicable in accordance with the prevailing laws shall be added in arriving at the total audit fees to be charged to the client.
- (f) No auditor shall quote fee lower than the charge out fee set by the Board because there may be threats to compliance with the fundamental principles arising from the level of fees quoted and may bring disrepute to the profession as a whole.
- (g) If any auditor accepts appointment at a fee below the rates approved, the relevant audit working paper files may be subject to review by NBAA to assess the quality of audit done. If NBAA is not satisfied with the quality of audit, the firm/partner of the firm may be subject to disciplinary actions.
- (h) It shall be a professional misconduct for audit firm to charge below the prescribed minimum rates. In instances where the client insists on being charged lower than the charge out rates approved, notwithstanding the complexity of the assignment, the audit firm is expected to decline the assignment since this may amount to doing sub-standard work as it may be difficult to perform the engagement in accordance with the applicable auditing standards, laws and regulations for that fee.

For further enquiry please contact:

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