

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

**EXAMINERS' AND PERFORMANCE REPORT**

**7<sup>TH</sup> INTAKE DIPLOMA IN IPSAS EXAMINATIONS – AUGUST 2019**

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# TABLE OF CONTENTS

	<b>PAGE</b>
<b>CHAPTER ONE</b> Introduction .....	2
<b>CHAPTER TWO</b> Executive Summary .....	3
<b>CHAPTER THREE</b> Analysis of Examination Performance .....	4
• C01 Closed book .....	4
• C02 Open book .....	7
<b>CHAPTER FOUR</b> Accounting Manpower.....	10

## **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 Revised 2002] Section 4, where the Board has the mandate to conduct examinations and grant diplomas, certificates and other awards of the Board in accountancy, auditing and allied subjects. Under this condition, and effort to meet the demand of the highly specialised 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 7<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 7<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 7<sup>th</sup> Intake Diploma in IPSAS examination session in which the examinations were conducted on Monday 26<sup>th</sup> and Wednesday 28<sup>th</sup> August, 2019.

There were 50 candidates who sat for the examinations for one subject with two papers. The candidature distribution in this session is as shown in Table 1:

**Table 1:** Candidature distribution in 7<sup>th</sup> Diploma in IPSAS examination session

Subject	No. of entries
CO1 Closed Book Paper	50
CO2 Open Book Paper	41

#### 2.2 Examination Performance

**Table 2: Paper-wise Candidates' Performance 7<sup>th</sup> diploma in IPSAS Examinations August 2019.**

Subject	No. Candidate	Pass	%	Failed	%
CO1 Closed Book Paper	50	44	88.0	6	12.0
CO2 Open Book Paper	41	39	95.1	2	4.9

**Table 3: Overall Candidates' Performance 7<sup>th</sup> diploma in IPSAS Examinations August 2019**

Description	Pass	Referred	Failed
No. of Candidates	44	04	02
Percentage	88.0	8.0	4.0

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

In this 7<sup>th</sup> Intake Diploma in IPSAS examinations forty-four 44 (88%) candidates qualified for the award of letters of examination success for Diploma in IPSAS Certificate, of which:

- Six candidates (6) passed closed book paper (C01) in this session having passed open book paper (C02) previously.
- Thirty-eight (38) candidates passed both closed book paper (C01) and open book paper (C02) in this examination session.

#### 2.2.2 Candidates required repeating failed paper(s)

In this 7<sup>th</sup> Intake Diploma in IPSAS examinations four (4) candidates are required to re-sit one paper.

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

In this 7<sup>th</sup> Intake Diploma in IPSAS examinations two (2) candidates failed both papers, therefore are required to register and sit for all papers.

## CHAPTER THREE

### Analysis of Examination Performance

#### 3.1 C01 – 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 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

- (i) Prepare a statement of Financial Performance for a year ended.
- (ii) Prepare a statement of financial position.
- (iii) Present relevant disclosure accounting policy for Property Plant and Equipment

Candidates' performance in this question was satisfactory. Out of 50 candidates who answered the question 38 (76%) passed while 12 (24%) candidates failed.

##### Weaknesses

- (i) Candidates were giving elements in their respective financial statements.
- (ii) Candidates failed to take into effects events after reporting periods.

#### QUESTION 2: IPSAS 17 – PROPERTY, PLANT AND EQUIPMENT (PPE)

- (a) From the given scenarios, candidates were required to:
  - (i) Establish on how an item of PPE is impaired.
  - (ii) Show accounting treatment in case the item of PPE is impaired.
  - (iii) Show Accounting treatment in case the item of PPE is revalued.
  - (iv) Explain the difference between impaired loss and revaluation deficit.
- (b) From the given scenarios, candidates were required to:
  - (i) Prepare extract Statement of Financial Position.
  - (ii) Prepare extract Statement of Financial Performance for the year ended.

Candidates' performance in this question was satisfactory. Out of 50 candidates who answered the question 40 (80%) passed while 10 (20%) candidates failed.

##### Weaknesses;

No major weakness was noted but few candidates failed to provide journal entries (accounting treatment) for impairment of PPE.

**QUESTION 3:    IPSAS 20 – RELATED PARTY TRANSACTIONS  
IPSAS 24 – PRESENTATION OF BUDGET INFORMATION AND  
FINANCIAL STATEMENTS**

From the given information:

- (a) Candidates were required to:
- (i) Prepare a related party disclosure in financial statements for the year ended.
- (b) From the given information candidates were required to: -
- (i) mention three items to be disclosed in the notes of the financial statements with respect to approved budget.
  - (ii) Show the components that should be displayed on the face of the statement of comparison of budget versus actual, where the budgetary and accounting bases are different.

Candidates' performance in this question satisfactory. Out of 50 candidates who answered the question 34 (68%) passed while 16 (32%) candidates failed.

**Weaknesses**

Some candidates showed weakness on mentioning the important items to be displayed in the notes of the financial statements with respect to approved budget.

**QUESTION 4:    IPSAS 3 – ACCOUNTING POLICIES, CHANGES IN ACCOUNTING  
ESTIMATES AND ERRORS  
IPSAS 31- INTANGIBLE ASSETS**

Candidates were required to:

- (a) Use the given scenarios, to indicate the accounting treatment for:
- (i) Change in accounting estimate
  - (ii) Correction of material prior period errors.
- (b) From the given information to prepare:
- (i) Accounting entries to record the given information (accounting records) concerning intangible assets for the year ended.
  - (ii) Schedule of intangible assets for the year ended.

Candidates' performance in this question was fair. Out of 50 candidates who answered the question 22 (44%) passed while 28 (56%) candidate failed.

Most candidates failed to identify the correct accounting treatment of general start-up cost, they treated it as a direct attributable cost of intangible 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 as out of fifty candidates who answered the examination paper 44 candidates (88%) passed.

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

**TABLE 4**

**C01 CLOSED 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)	6	44	<b>50</b>
PERCENTAGE	12	88	<b>100</b>

### **3.2 C02 – 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 - PREPARATION OF FINANCIAL STATEMENTS**

From the given scenario, candidates were required to: -

- (a) Prepare the statement of financial performance for the year ended.
- (b) Prepare extract statement of financial position for the year ended.
- (c) Prepare extract Statement of Financial Position as at the year ended
- (d) Prepare accounting policy for each category of revenue for each category of revenue as outlined from the scenario.

Candidates' performance in this question was satisfactory. Out of 41 candidates who answered the question 31 (75.6%) passed while 10 (24.4%) candidates failed.

There was no major weakness observed.

##### **QUESTION 2: INTRODUCTION TO IPSAS: IPSAS 13 – LEASES**

- (a) From the given scenarios, candidates were required to prepare a memorandum on the advantages of IPSAS Accrual.
- (b) From the given cases related to the finalization of financial statements, candidates were required to:
  - (i) Explain the importance of IPSAS 13-Leases for public sector entities.
  - (ii) Explain how the given cases would be recognized under IPSAS 13-Leases.
  - (iii) Show how the cases would be recognized in the statement of financial performance.

Candidates' performance in this question was satisfactory. Out of 41 candidates who answered the question 36 (87.8%) passed while 5 (12.2%) candidates failed.

There was no major Candidates' weakness observed in this question.

**QUESTION 3:      IPSAS 14 – EVENTS AFTER THE REPORTING DATE  
IPSAS 17 – PROPERTY, PLANT AND EQUIPMENTS**

From the given cases candidates were required to:

- (a) Indicate how the events would be treated in the financial statements for the year ended as per IPSAS 14.
- (b) (i) prepare entity extract statement of Financial Position for the year ended.  
(ii) indicate the accounting treatment for the item of PPE.

Candidates' performance in this question was satisfactory. Out of 41 candidates who answered the question 40 (97.6%) passed while 1 (2.4%) candidates failed.

No major weaknesses were observed but some candidates failed to present the proper journal entries.

**QUESTION 4:      IPSAS 40 – PUBLIC SECTOR COMBINATION  
IPSAS 1 – PRESENTATION OF FINANCIAL STATEMENTS**

- (a) From the given information candidates were required to:
  - (i) State whether the formation of the entity is amalgamation or combination.
  - (ii) Prepare a memo indicating how opening statement of financial position in compliance to IPSAS.
- (b) From the given case to indicate how financial statements of the entity can be fairly presented.

Candidates' performance in this question was satisfactory. Out of 41 candidates who answered the question 35 (85.4%) passed while 6 (14.6%) candidate failed.

Most of candidates not only failed to do the treatment of the combined entities which were using different accounting policies but also failed to prepare the opening statement of financial position for the newly formed entity

#### 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 as out of 41 candidates who answered the examination paper only two candidates failed

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

**TABLE 5**

**C02 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)	02	39	<b>41</b>
PERCENTAGE	4.9	95.1	<b>100</b>

## CHAPTER FOUR

### ACCOUNTING MANPOWER CREATED BY THE BOARD UP TO AUGUST 2019

In an effort to meet the demand of the highly needed accounting personnel in the country, the Board has been able to create cumulatively 356 accounting manpower through IPSAS Diploma 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  
AUGUST, 2019**

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

