



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

EXAMINERS' AND PERFORMANCE REPORT

**2ND INTAKE PROFESSIONAL DIPLOMA IN INTERNAL
AUDITING (PDIA) EXAMINATIONS – AUGUST 2025**

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CHAPTER ONE

INTRODUCTION

1.1 Foreword

The introduction of Professional Diploma in Internal Auditing (PDIA) 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 in accountancy and allied subjects. Under this mandate and effort to meet the demand of the highly specialized personnel in Internal Auditing for both Public and Private sectors, NBAA Governing Board decided to introduce a Professional Diploma in Internal Auditing. The Board started classes for PDIA in October 2024. This course has two examination sessions in each year (February and August). The course has two levels (PDIA Level 1 and PDIA Level 2) whereby for a candidate who qualify to be awarded PDIA certificate is supposed to pass all levels. A candidate who fail will be required to re-sit in the next examination sessions.

1.2 Objective of the report

The report is intended to avail to trainers, candidates, and 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 1st Intake of Professional Diploma in Internal Auditing (PDIA) Level 2 in concurrent with the (PDIA level 1) 2nd Intake 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 PROFESSIONAL DIPLOMA IN INTERNAL AUDITING (PDIA LEVEL 1 AND 2) EXAMINATION SESSION

2.1 Preamble:

The Board conducts its Professional Diploma in Internal Auditing (PDIA) examinations twice in a year during the months of August and February. In this session there were two levels who sat for the examinations. These levels were PDIA level 1 and PDIA level 2, whereby examinations were conducted on Tuesday 26th and Thursday 28th August, 2025.

There were 28 and 43 candidates who sat for the Professional Diploma in Internal Auditing in Level 1 and level 2 respectively.

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

Table 1: Candidature distribution in PDIA examination session

Subject	No. of entries	Total
PDIA Level – 1	28	28
PDIA Level - 2	43	43

2.2 Examination Performance

Table 2: Paper-wise Candidates' Performance for PDIA examination session

SUBJECT	NO. CANDIDATE	PASS	%	FAIL	%
PDIA Level – 1	28	24	85.7	4	14.3
PDIA Level - 2	43	38	88.4	5	11.6

Table 3: Overall Candidates' Performance PDIA examination sessions for level 1 and 2

Description	No. of Candidates	Pass	Referred	Total
PDIA - Level 1	28	24	04	28
Percentage (%)		85.7%	14.3%	100%
PDIA- Level 2	43	38	5	43
Percentage (%)		88.4%	11.6%	100%

2.2.1 Candidates qualifying for the award of letters of success for Professional Diploma in Internal Auditing Level 1 and 2

In this session of Professional Diploma in Internal Auditing examinations twenty-four (24) candidates qualified for the award of the PDIA Level – 1 letter of success, and thirty-eight (38) candidates qualified for the award of the PDIA level -2 letter of success

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

In this 1st and 2nd Intake of Professional Diploma in Internal Auditing examinations four (04) candidates are required to re-sit PDIA.01 and five (5) Candidates are required to res-sit PDIA.02 paper.

CHAPTER THREE

ANALYSIS OF EXAMINATION PERFORMANCE PDIA LEVEL - 1

3.1 PDIA.01 – PDIA Level - 1

I: PRINCIPAL LEARNING OUTCOME

Principal learning outcome of this paper is to examine candidates' ability to apply internal auditing principles, standards, professional frameworks and requirements, tools and technique to effectively plan, conduct, report and monitor internal audit findings for effective governance, risk management, organizational practices and control environment leading to operational efficiency and strategic execution in the respective organizations.

II: STRUCTURE OF THE QUESTION PAPER:

The paper comprised five (5) questions of which candidates were required to answer all.

III: PROFESSIONAL STANDARDS EXAMINED AND CANDIDATES' PERFORMANCE

In this examination session, candidates were examined on the following learning outcomes (topics):

QUESTION 1: MIXED TOPICS

For each of the questions given question, candidates were required to choose the most correct answer among the four given alternatives. Indicate your answer by writing the appropriate letter **A, B, C** or **D** in the answer booklet.

Candidates' performance in this question was satisfactory. Out of 28 candidates who answered the question, all 28 candidates (100%) passed.

There were no major weakness observed.

QUESTION 2: PROFESSIONAL COMPETENCE, DUE PROFESSIONAL CARE AND ROLE OF IT IN INTERNAL AUDITING.

From the given scenario of Nyota Holdings Ltd, a large conglomerate based in Dar es salaam; candidates were required to:

- (a) Explain the key characteristics or qualities that an effective internal Auditor should possess in order to address the issues raised at Nyota Holdings Ltd.
- (b) Discuss the role of profession skepticism in internal audit and how it should have been applied during the high-risk transaction audits at Nyota Holdings Ltd.
- (c) Show how information technology and digitalization can support internal auditors in improving audit quality and risk identification.

Candidates' performance in this question was satisfactory. Out of 28 candidates who answered the question, 17 (60.7%) passed while 11 (39.3%) candidates failed.

Most of candidates who failed on this question were confusing skepticism with due professional care where by instead of focusing on addressing the concept of skepticism (inquisitive mindset), they focused on addressing due professional care (the need to perform audit that is verifiable by someone else).

Likewise, most candidates partially attempted the question.

QUESTION 3: FINANCIAL MANAGEMENT CONCEPTS

From the provided scenario of Kijiji community Development Organization (KCDO) a non-profit organization based in Morogoro Tanzania, candidates were required to: -

- (a) Identify key users of accounting information in an organization like KCDO;
- (b) Describe the component of financial statements and the type of information each component should provide under IPSAS or IFRS;
- (c) Identify four (4) financial statement analysis techniques and explain how they could help KCDO evaluate project performance and

- (d) Describe any two budgeting or capital budgeting techniques that internal auditors can use to evaluate investment decisions at KCDO.

Candidates' performance in this question was satisfactory. Out of 28 candidates who answered the question, 16 (57.1%) passed while 12 (42.9%) candidates failed.

Most of candidates who failed on this question described the qualities of financial statements instead of components of financial statements, they only listed users of accounting information without providing clarification on how users are impacted by such information, most candidates identified only ratio analysis categories as techniques of financial statements analysis, also most candidates were not aware with capital budgeting techniques and ended up mentioning types of budgets.

QUESTION 4: INTERNAL AUDITORS' ETHICAL DILEMMA

- (a) From the given information of Madamwetu, a new internal auditor at Hatuchezi Inc. candidates were required to: -
- (i) As a fresh graduate in professional Diploma in Internal Audit – PDIA level 1, discuss any four (4) common ethical dilemmas that Madamwetu, as a new Internal Auditor, might face;
 - (ii) Describe four (4) impacts of not adhering to the principles of confidentiality within an internal audit function; and discuss how breaches in this area could affect Hatuchezi Inc. in accordance with Standards 5.0 of the global internal audit standards
- (b) The provided scenario of Mnene Company, a company dealing with livestock keeping, candidates were required to write a report to Mnene company explaining the following: -
- (i) Meaning of QAIP in respect of Internal Audit
 - (ii) Four (4) benefits of quality assurance and improvement program adaptation to Mnene company and
 - (iii) The type of QAIP that can be adapted.

Candidates' performance in this question was satisfactory. Out of 28 candidates who answered the question, 8 (28.6%) passed while 20 (71.4%) candidates failed.

Some of the candidates who failed were not able to understand the requirements of the question properly and also, they failed to explain the points they mentioned.

QUESTION 5: APPLY AUDIT PRINCIPLES UNDERTAKING INTERNAL AN AUDIT ENGAGEMENT

From the given scenario of a community based agricultural organization in Morogoro ,Kilimo Safi Cooperative Society, candidates were required to: -

- (a) Apply internal audit principles to evaluate the adequate and ffectiveness of the Kilimo Safi Cooperative society
 - (i) Governance practices
 - (ii) Risk management processes
 - (iii) Internal control systems
- (b) Explain key internal audit procedures you would perform together sufficient audit evidence on the issues raised.

Candidates' performance in this question was not satisfactory. Out of 28 candidates who answered the question, 13 (46.4%) passed while 15 (53.6%) candidates failed.

Most of candidates who failed on this question they were not able to understand the requirement of the question properly and also, they failed to understand the required concepts in the question.

CHAPTER FOUR
GENERAL OBSERVATIONS PDIA LEVEL – 1

(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 28 candidates who attempted the examination paper, 24 (85.7%) passed while 4 (14.3%) candidates failed.

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

TABLE 4

PDIA.01 PDIA LEVEL-1 PAPER CANDIDATES' PERFORMANCE ANALYSIS

CLASSIFICATION OF MARKS	0-49	50-100	TOTAL
NO. OF CANDIDATES (FREQUENCY)	04	24	28
PERCENTAGE (%)	14.3	85.7	100

CHAPTER FIVE

ANALYSIS OF EXAMINATION PERFORMANCE PDIA LEVEL 2

4.0 PDIA.02 – PDIA Level - 2

I: PRINCIPAL LEARNING OUTCOME

Principal learning outcome of this paper is to examine candidates' ability to apply internal auditing principles, standards, professional frameworks and requirements, tools and technique to effectively plan, conduct, report and monitor internal audit findings for effective governance, risk management, organizational practices and control environment leading to operational efficiency and strategic execution in the respective organizations.

II: STRUCTURE OF THE QUESTION PAPER:

The paper comprised five (5) questions of which candidates were required to answer all.

III: PROFESSIONAL STANDARDS EXAMINED AND CANDIDATES' PERFORMANCE

In this examination session, candidates were examined on the following learning outcomes (topics):

QUESTION 1: MIXED TOPICS

For each of the questions given question, candidates were required to choose the most correct answer among the four given alternatives. Indicate your answer by writing the appropriate letter **A, B, C** or **D** in the answer booklet.

Candidates' performance in this question was satisfactory. Out of 43 candidates who answered the question, all 43 candidates (100%) passed.

There were no major weakness observed.

QUESTION 2: PROCUREMENT AUDIT

From the given scenario of GEUWASSA, a government water utility company responsible for procurement of water distribution infrastructure; candidates were required to:

- (a) Explain the purpose and scope of a procurement audit in a Tanzanian public sector institution like GEUWASSA.

- (b) Describe the phases of a procurement cycle and how internal auditors can audit each phase.
- (c) Using the red flags found at GEUWASSA, explain how internal auditors can identify signs of procurement fraud and abuse; and
- (d) Describe any four (4) procedures and evidence gathering techniques you would apply during the audit to confirm fraud or mismanagement.

Candidates' performance in this question was satisfactory. Out of 43 candidates who answered the question, 40 (93%) passed while 3 (7%) candidates failed.

Most of candidates who failed in this question failed to identify phases of procurement cycle instead split procedures in the similar cycle as different phases, failed to address fraud red flags from the case study which were clearly stated and other failed to specifically address audit procedures relevant to the case study rather pointed out some procedures not applicable.

Recommendation to facilitators: Continue guide candidates on how to address case specific scenario where the question requires.

QUESTION 3: INTERNAL AUDIT PLANNING

From the provided scenario of a medium-sized agricultural society based in the southern highlands, the Kilimo Bora Cooperative Society Ltd, candidates were required to: -

- (a) Outline ten (10) key steps you would follow to prepare a risk-based internal audit plan for Kilimo Bora Cooperative society;
- (b) Discuss any five (5) key components you would include in the three-year strategic internal audit plan, and how they align with the long-term goals of the society.

Candidates' performance in this question was satisfactory. Out of 43 candidates who answered the question, 34 (79.1%) passed while 9 (20.9%) candidates failed.

Most of candidates who failed in this question failed to attempt part (b) of the question correctly as they failed to include necessary components of the strategic

audit plan but rather included components of the annual audit plan which is connected in part (a).

Recommendation to facilitators: Demonstrate clearly the difference between annual audit plan and strategic audit plan in term of what composes them.

QUESTION 4: IT AUDIT

4.1.1 From the given information of KBRC Plc, one of the leading banks in Tanzania, candidates as internal auditor practitioner were assigned to: -

- (a) Explain the procedure that they will use to assess the adequacy of the IT general controls (ITGCs) and application controls in the new cloud-based system;
- (b) Explain three (3) risks associated with the current IT control environment, especially in the Tanzanian banking sector context;
- (c) Explain two (2) roles of internal audit function in ensuring effective governance over IT system and data integrity; and
- (d) Recommend two (2) best practices and improvements to strengthen IT controls and ensure alignment with regulatory expectations and international standards.

Candidates' performance in this question was satisfactory. Out of 43 candidates who answered the question, 9 (20.9%) passed while 34 (79.1%) candidates failed.

Some of the candidates who failed this question provided unorganized and general answers.

QUESTION 5: AUDIT REPORT

From the given scenario of an Agro-marketing agency (TAMA) a government agency for coordinating agricultural marketing and export promotion across several regions, candidates were required to: -

- (a) Discuss any five (5) key elements that should be included when communicating audit results to senior management and the board to ensure clarity, accountability and follow up;

- (b) Explain any five (5) points, on how the internal audit unit should monitor the disposition of agreed action plans and ensure that management implements the recommendations effectively.

Candidates' performance in this question was not satisfactory. Out of 43 candidates who answered the question, 15 (34.9%) passed while 28 (65.1%) candidates failed.

Most of candidates who failed on this question did not provide clear answers particularly in part (b) of the question.

CHAPTER SIX

GENERAL OBSERVATIONS PDIA LEVEL – 2

(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 43 candidates who attempted the examination paper, 38 (88.4%) passed while 5 (11.6%) candidates failed.

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

TABLE 4

PDIA.02 PDIA LEVEL-2 PAPER CANDIDATES' PERFORMANCE ANALYSIS

CLASSIFICATION OF MARKS	0-49	50-100	TOTAL
NO. OF CANDIDATES (FREQUENCY)	5	38	43
PERCENTAGE (%)	11.6	88.4	100

CHAPTER SEVEN

ACCOUNTING MANPOWER CREATED BY THE BOARD UP TO AUGUST 2025

In an effort to meet the demand of the highly needed internal auditing personnel in the country, the Board has been able to create cumulatively 38 accounting manpower through Professional Diploma in Internal Auditing (PDIA) examinations since its inception in August 2025.

Table 6 below shows the statistics of graduates per session and cumulatively since August 2025.

**TABLE 6: PROFESSIONAL DIPLOMA IN INTERNAL AUDITING
GRADUATES – CUMULATIVE STATISTICAL ANALYSIS**

AUGUST 2025

EXAMINATION SESSION	CERTIFICATE IN IPSAS	
	NO.	CUM.
1 ST SESSION AUGUST, 2025	38	38

