



(NBAA)

THE NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

TANZANIA

TECHNICAL PRONOUNCEMENT NO. 2 OF 2025

INCLUSION OF A SECTION IN THE AUDITOR'S ENGAGEMENT LETTER REGARDING SUBMISSION OF AUDITED FINANCIAL STATEMENTS TO NBAA

INTRODUCTION

The Accountants and Auditors (Registration) Act Cap. 286 empowers NBAA to issue accounting and auditing standards and guidelines as appropriate and ensure compliance with those standards and guidelines by its members and other stakeholders.

The main objectives of issuing standards and guidelines is to make sure that adequate accounting and related records are properly maintained and that high professional standards are adhered to in the performance of the accounting/auditing function and promoting uniformity of financial reporting and provision of useful information to the users of financial statements.

In accordance with the National Board of Accountants and Auditors (NBAA) Act, Section 30A, and Clause 26 of the Practicing Bylaws, 2023, external auditors are required to submit audited financial statements to NBAA. In order to enhance transparency and ensure compliance, this pronouncement requires auditors to explicitly include a section in their engagement letters informing their clients of this mandatory submission.

SCOPE AND APPLICATION

This pronouncement applies to all external auditors licensed by NBAA and who undertake statutory audits of entities in Tanzania.

INCLUSION OF A SPECIFIC PARAGRAPH

All auditors must include a specific paragraph in their engagement letters stating that the copy of the audited financial statements shall be submitted to NBAA upon completion of the audit. The paragraph should refer to the legal and regulatory basis for this requirement.

RECOMMENDED WORDING FOR INCLUSION

Auditors should ensure their engagement letters reflect this requirement. The following is a sample paragraph that auditors may use or modify as appropriate to suit their engagement terms while ensuring compliance:

"In accordance with the requirements of the Accountants and Auditors (Registration) Act CAP. 286, Section 30A, and Clause 26 of the Practising Bylaws, 2023, we hereby notify you that upon completion of the audit, a copy of the signed audited financial statements shall be submitted to the NBAA.

COMPLIANCE AND ENFORCEMENT

Auditors who fail to include this section in their engagement letters or neglect to submit the audited financial statements as required may be subject to disciplinary action as per Accountants and Auditors (Registration) Act CAP. 286.

EFFECTIVE DATE

This pronouncement is effective for all audit engagements commencing on or after 1st July, 2025.

For further information and clarification please contact:

**EXECUTIVE DIRECTOR
NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS
8TH FLOOR, AUDIT HOUSE, 4 UKAGUZI ROAD, P.
O. BOX 1271,
41104 TAMBUKARELI,
DODOMA, TANZANIA
TEL NOS: +255 26 2963318-9
E-MAIL: info@nbaa.go.tz
WEBSITE: www.nbaa.go.tz**