

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

EXAMINERS' AND PERFORMANCE REPORT

9TH DIPLOMA IN IPSAS EXAMINATIONS – FEBRUARY 2021

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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 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 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 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 9th 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 9TH 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 9th Intake Diploma in IPSAS examination session in which the examinations were conducted on Monday 22nd and Wednesday 24th February, 2021.

There were 146 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 9th Diploma in IPSAS examination session

Subject	No. of entries
CO1 Closed Book Paper and CO2 Open Book Paper	142
CO1 Closed Book Paper only	04
CO2 Open Book Paper only	04
Total	150

2.2 Examination Performance

Table 2: Paper-wise Candidates' Performance 9th Diploma in IPSAS Examinations February 2021

SUBJECT	NO. CANDIDATE	PASS	%	FAIL	%
CO1 Closed Book Paper	146	135	92.5	11	7.5
CO2 Open Book Paper	146	129	88.4	17	11.6

Table 3: Overall Candidates' Performance 9th Diploma in IPSAS Examinations February 2021

Description	Pass	Referred (C01 or C02)	Failed (C01 & C02)
No. of Candidates	129	14	07
Percentage	86	9.3	4.7

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

In this 9th Intake Diploma in IPSAS examinations One hundred twenty-nine 129 candidates qualified for the award of the Diploma in IPSAS.

2.2.2 Candidates required repeating failed paper(s)

In this 9th Intake Diploma in IPSAS examinations Fourteen (14) candidates are required to re-sit one paper on either C01 or C02.

2.2.3 Candidates required registering and sitting for all papers

In this 9th Intake Diploma in IPSAS examinations seven (07) candidate failed both papers and are required to register and sit for both 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 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 35 – CONSOLIDATED FINANCIAL STATEMENTS IPSAS 37 – JOINT ARRANGEMENTS IPSAS 2 – CASH FLOW STATEMENTS

- (a) Candidates were required to elaborate how: -
 - (i) Consolidated financial performance can be prepared.
 - (ii) Joint arrangement can be reported in the financial statements of the parties involved.
- (b) From the given information candidates were required to prepare: -
 - (i) Cash Flow Statement for the year ended.
 - (ii) A memo indicating the benefits of cash flow information to the users of financial statements.

Candidates' performance in this question was satisfactory. Out of 146 candidates who answered the question 84 (58%) passed while 62 (42%) candidates failed.

Some candidates failed to clearly derive workings that are required for the data to be presented in the cash flow statement.

**QUESTION 2: IPSAS 23 – REVENUE FROM NON-EXCHANGE TRANSACTIONS
IPSAS 14 – EVENTS AFTER THE REPORTING DATE
IPSAS 17 – PROPERTY, PLANT AND EQUIPMENT**

From the given scenarios, candidates were required to write a brief report showing how the items identified in the question should be treated in the financial statements of the respective public sector organization for the year ended.

Candidates' performance in this question was satisfactory. Out of 146 candidates who answered the question 139 (95.2%) passed while 7 (4.8%) candidates failed.

Most candidates failed to differentiate requirements of IPSAS 14 from those of IPSAS 23.

**QUESTION 3: IPSAS 13 – LEASES
IPSAS 14 – EVENTS AFTER THE REPORTING DATE
IPSAS 32 – SERVICE CONCESSION ARRANGEMENTS
IPSAS 1 – PRESENTATION OF FINANCIAL STATEMENTS**

From the given information:

(a) Candidates were required to prepare:

- (i) Extract statement of financial performance for the year ended.
- (ii) Extract statement of financial position as at the end of the year
- (iii) Brief note explaining a finance lease and how it can be accounted for in the books of account of a lease.

(b) Candidates were required to:

ISSUE A: - Explain with justification, the appropriate accounting treatment of the event after the reporting date.

ISSUE B- Determine the value of the asset on the dates identified

Candidates' performance in this question was satisfactory. Out of 146 candidates who answered the question 138 (94.5%) passed while 8 (5.5%) candidates failed.

Most of the candidates failed to:

- (a) Determine the amount of lease liability to be reported in the statement of financial position.
- (b) Determine whether the event is an adjusting or non-adjusting event

QUESTION 4: IPSAS 31 – INTANGIBLE ASSETS

IPSAS 17 – PROPERTY, PLANT AND EQUIPMENT

IPSAS 1 – PRESENTATION OF FINANCIAL STATEMENT

IPSAS 21 – IMPAIRMENT OF NON-CASH GENERATED ASSETS

IPSAS 26 – IMPAIRMENT OF CASH GENERATED ASSETS

Candidates were required to:

(a) Use the given information to prepare:

- (i) Extract statement of financial position as at the end of the year.
- (ii) Extract statement of financial performance for the year ended.

(b) Prepare a draft memo addressing the following issues: -

- (i) How an entity can conduct a review of useful life for its assets and how the changes in useful life for the items of PPE will be accounted for in the financial statements
- (ii) How an entity can conduct impairment test for its assets and how impairment loss will be treated in the financial statements
- (iii) How an entity will account for the fully depreciated PPE that are still in use.

Candidates' performance in this question was satisfactory. Out of 146 candidates who answered the question 88 (60.3%) passed while 58 (39.7%) candidates failed.

Most of the candidates showed weakness on describing how an entity can account for fully depreciated PPE that are still in use.

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 146 candidates who answered the examination paper only 11 (7.5%) candidates failed.

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

TABLE 4

C01 CLOSED BOOK PAPER CANDIDATES' PERFORMANCE ANALYSIS

CLASSIFICATION OF MARKS	0-49	50-100	TOTAL
NO. OF CANDIDATES (FREQUENCY)	11	135	146
PERCENTAGE	7.5	92.5	100

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 – PRESENTATION OF FINANCIAL STATEMENTS

From the given information, candidates were required to: -

- (a) Prepare a Statement of Financial Performance for the year ended.
- (b) Prepare a Statement of Financial Position as at the year ended.
- (c) Propose suitable accounting policies for the given list of items.

Candidates' performance in this question was not satisfactory. Out of 146 candidates who answered the question, only 128 (87.7%) passed while 18 (12.3%) candidates failed.

Most of the candidates mixed items required to be presented in the statement of financial performance with those that are required to be presented in statement of financial position.

QUESTION 2: INTRODUCTION TO IPSAS

IPSAS 33 – FIRST TIME ADOPTION OF ACCRUAL BASIS IPSAS IPSAS 17 - PROPERTY, PLANT AND EQUIPMENT

Candidates were required to:

- (a) Prepare a short presentation indicating:
 - (i) Features of entities under public sector which are required to apply IPSASs including the nature of assets and revenue in public sector
 - (ii) Guidance provided under IPSAS 33 for recognition of property, plant and equipment.
- (b) Use the given information to prepare:
 - (i) Extract statement of financial performance for the year ended.

(ii) Extract statement of financial position as at the end of the year.

Candidates' performance in this question was satisfactory. Out of 146 candidates who answered the question 128 (87.7%) passed while 18 (12.3%) candidates failed.

Most of the candidates failed to:

- (a) Determine items to be included in the total cost of an asset
- (b) Provide the guidance under IPSAS 33 for recognition of Property, plant and equipment.

**QUESTION 3: IPSAS 40 – PUBLIC SECTOR COMBINATION
IPSAS 3 – ACCOUNTING POLICIES, CHANGES IN ACCOUNTING
ESTIMATES AND ERRORS**

From the given information, candidates were required to:

- (a) Prepare a brief presentation elaborating:
 - (i) With reasons, whether the combination is an amalgamation or an acquisition.
 - (ii) How the named entity will account for, assets and liabilities taken from the other named entity.
- (b) Prepare:
 - (i) Extract statement of financial performance for the year ended.
 - (ii) Extract statement of financial position as at the end of the year.
- (c) Explain general principles for the selection of an appropriate accounting policy to be adopted by any public sector entity for treatment of a transaction, other event or condition that may be encountered.

Candidates' performance in this question was satisfactory. Out of 146 candidates who answered the question 101 (69.2%) passed while 45 (30.8%) candidates failed.

Most of the candidates failed to:

- (a) Elaborate how an entity can account for, assets and liabilities taken from another entity.
- (b) Recognize change in the accounting policy.

QUESTION 4: IPSAS 20 – RELATED PARTY DISCLOSURE
IPSAS 14 – EVENTS AFTER REPORTING DATES
IPSAS 19 – PROVISION, CONTINGENT LIABILITIES AND
CONTINGENT ASSETS

Candidates were required to:

- (a) Prepare a disclosure note indicating four (4) items required to be disclosed in relation to related party relationship.
- (b) Advice on how to go about the identified events after the reporting date.
- (c) Prepare a memo indicating how the identified issue of major oil spill can be reported in the financial statements.

Candidates’ performance in this question was not satisfactory. Out of 146 candidates who answered the question, only 69 (47.3%) passed while 77 (52.7%) candidate failed.

Most of candidates failed to indicate the reporting of the item as identified in part (c) of the question.

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 146 candidates who answered the examination paper only 17 (11.6%) 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

CLASSIFICATION OF MARKS	0-49	50-100	TOTAL
NO. OF CANDIDATES (FREQUENCY)	17	129	146
PERCENTAGE	11.6	88.4	100

CHAPTER FOUR

ACCOUNTING MANPOWER CREATED BY THE BOARD UP TO FEBRUARY 2021

In an effort to meet the demand of the highly needed accounting personnel in the country, the Board has been able to create cumulatively 550 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 FROM JULY 2016 TO FEBRUARY 2021

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

