



**THE UNITED REPUBLIC OF TANZANIA  
NATIONAL AUDIT OFFICE**



**NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS**

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL  
STATEMENTS AND COMPLIANCE AUDIT FOR THE FINANCIAL  
YEAR ENDED 30 JUNE 2022**

---

Controller and Auditor General,  
National Audit Office,  
Audit House,  
4 Ukaguzi Road,  
P.O. Box 950,  
41101 Tambukareli,  
Dodoma, Tanzania.  
Tel: 255 (026) 2161200,  
Fax: 255 (026) 2117527,  
E-mail: [ocag@nao.go.tz](mailto:ocag@nao.go.tz)  
Website: [www.nao.go.tz](http://www.nao.go.tz)

April 2023

AR/PA/NBAA/2021/22

**Mandate**

The statutory mandate and responsibilities of the Controller and Auditor General are provided for under Article 143 of the Constitution of the URT of 1977 (as amended from time to time) and in Section 10 (1) of the Public Audit Act, Cap 418 [R.E 2021].

**Vision**

To be a highly regarded Institution that excels in Public Sector Auditing.

**Mission**

To provide high quality audit services that improves public sector performance, accountability and transparency in the management of public resources.

**Motto:** “Modernizing External Audit for Stronger Public Confidence”

**Core values**

In providing quality services, NAO is guided by the following Core Values:

- i. Independence and objectivity
- ii. Professional competence
- iii. Integrity
- iv. Creativity and Innovation
- v. Results-Oriented
- vi. Teamwork Spirit

**We do this by:**

- ✓ Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- ✓ Helping to improve the quality of public services by supporting innovation on the use of public resources;
- ✓ Providing technical advice to our clients on operational gaps in their operating systems;
- ✓ Systematically involve our clients in the audit process and audit cycles; and
- ✓ Providing audit staff with adequate working tools and facilities that promote independence.

© This audit report is intended to be used by the National Board of Accountants and Auditors (NBAA) and may form part of the annual general report which once tabled to National Assembly, becomes a public document hence, its distribution may not be limited.

## TABLE OF CONTENTS

1.0	INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL.....	1
2.0	REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2021 .....	7
3.0	STATEMENT OF RESPONSIBILITIES OF THOSE CHARGED WITH GOVERNANCE.....	54
4.0	DECLARATION OF THE HEAD OF FINANCE.....	55
5.0	FINANCIAL STATEMENTS .....	56
6.0	NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022.....	61

## ABBREVIATIONS

AC	Audit Committee
ADA	Advance Diploma in Accountancy
AFROSAI	African Organization of Supreme Audit Institutions
APC	Accountancy Professional Centre
AQR	Audit Quality Review
CBiiPro	Certified Bases ii Professional
CCSA	Certification in Control Self-Assessment
CIA	Certified Internal Auditor
CISA	Certified Information System Auditor
CFE	Certified Fraud Examiner
CGAP	Certified Government Audit Professional
CPA	Certified Public Accountant
CPE	Continuing Professional Education
DBA	Diploma in Business Administration
DSE	Dar es Salaam Stock Exchange
EIR	Effective Interest Rate
FRSME	Financial Reporting Standard for Micro-Entities
GEPF	Government Employees Pension Fund
IAA	Institute of Accountancy Arusha
IAS	International Accounting Standards
IB	International Business
ICT	Information Computer Technology
IESBA	International Ethics Standards Board for Accountants
IFAC	International Federation of Accountants
IFM	Institute of Finance Management
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISA	International Standards on Auditing
LLB	Bachelor of Law
MBA	Master's in business administration
NAD	National Accountancy Diploma
NBAA	National Board of Accountants and Auditors
NHIF	National Health Insurance Fund
NSSF	National Social Security Fund
OUT	Open University of Tanzania
PAA	Public Audit Act, 2008
PAC	Public Audit Committee
PAFA	Pan African Federation of Accountants
PG	Post-graduate
PLC	Public Limited Company
PPF	Public Pension Fund
PSPF	Public Service Pension Fund
PSSF	Public Service Social Security Fund
SMO	Statement of Members Obligations
TFRS	Tanzania Financial Reporting Standards
TOT	Training of Trainers
TRA	Tanzania Revenue Authority
TZS	Tanzanian Shillings
UDSM	University of Dar es Salaam
UK	United Kingdom

**BOARD INFORMATION FOR THE YEAR ENDED 30 JUNE 2022**  
**PRINCIPAL PLACE OF BUSINESS:**

**DODOMA OFFICE**

The National Audit Office,  
Audit House,  
8<sup>th</sup> Floor,  
4 Ukaguzi Road,  
P O Box 1271,  
41104 Tambukareli,  
Dodoma, Tanzania

**DAR ES SALAAM OFFICE**

Plot No 3,4 & 5,  
Mhasibu House,  
Bibi Titi Mohamed Street,  
P O Box 5128,  
Dar es Salaam, Tanzania

**ULTIMATE CONTROLLING ENTITY**

United Republic of Tanzania,  
Ministry of Finance and Planning,  
Treasury Square Building,  
18 Jakaya Kikwete Road,  
P O Box 2802,  
40468 Dodoma Tanzania.

**BANKERS:**

Bank of Tanzania,  
2 Mirambo Street 11884,  
P O Box 2939,  
Dar es Salaam, Tanzania

CRDB Bank Plc,  
Ali Hassan Mwinyi Road,  
P O Box 268,  
Dar es Salaam, Tanzania

NMB Bank Plc,  
Ohio Street/Ali Hassan Mwinyi Road,  
P O Box 9213,  
Dar es Salaam, Tanzania

Standard Chartered Bank Limited  
International House Building,  
Corner Garden Avenue/Ohio Street  
P O Box 9011  
Dar es Salaam, Tanzania

**LAWYERS:**

Attorney General office,  
Attorney Street -Mtumba,  
P O Box 630,  
Dodoma, Tanzania

**PRINCIPAL AUDITORS:**

The Controller and Auditor General,  
The National Audit Office,  
Audit House,  
4 Ukaguzi Road,  
P. O. Box 950,  
41104 Tambukareli  
Dodoma, Tanzania

**DELEGATED AUDITOR**

M/S INNOVEX Auditors,  
8 Kilimani Road,  
Ada Estate, 14110 Kinondoni,  
P O Box 75297,  
Dar es salaam, Tanzania

v

## 1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairman of the Governing Board,  
National Board of Accountants and Auditors (NBAA),  
8<sup>th</sup> Floor, NAOT Building,  
411404 Tambukareli,  
P.O Box 1271,  
Dodoma.

### 1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

#### Unqualified Opinion

I have audited the financial statements of National Board of Accountants and Auditors (NBAA), which comprise the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of National Board of Accountants and Auditors (NBAA) as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and in the manner required by the Public Finance Act, Cap 348 [R.E 2020].

#### Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the audit of the financial statements". I am independent of National Board of Accountants and Auditors (NBAA) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

No.	Area of focus	How my audit addressed the key audit matter
1	Loan from NSSF	
	The Board has a substantial loan with NSSF amounting to TZS 22.027 billion as at	My audit of the NSSF loan balance involved checking the accuracy and completeness of loan

No.	Area of focus	How my audit addressed the key audit matter
	<p>30 June, 2022, hence the requirement of the Board to ensure:</p> <ul style="list-style-type: none"> <li>• The loan is serviced as per agreed terms as any failure of loan repayment may pose significant penalties.</li> <li>• Respective interest and penalties are properly recognized when they occur. Lack of proper control on recognition of interest and penalties on NSSF loan may pose the risk of misstatement of loan balance.</li> </ul> <p>The loan with NSSF was considered as an area of significant risk due to the following: The loan was reviewed during the year. Therefore, there is a risk of errors in re-computing the loan based on the new terms and conditions. Events and impact of non-compliances with the loan agreement may not be adequately disclosed in the financial statements.</p>	<p>balance as at reporting date and the Board's performance of its obligations as per the loan agreement. In addressing this matter my audit performed the following:</p> <p>I reviewed sufficient and appropriate documentations to support the restructuring of the loan and gain an understanding of the new terms and conditions that have been effective from 1 July 2020.</p> <p>I checked whether the Board complied with provision of the loan by reviewing whether loan repayments were made on a timely manner per the agreed repayment schedule.</p> <p>I verified the valuation, existence and completeness of the loan balance due through obtaining a direct confirmation from NSSF.</p> <p>I checked whether there was proper accounting and disclosure for loan transactions including interest charges and penalties, in the financial statements.</p> <p><b>Results of my work</b> Based on the procedures performed and evidence obtained, I observed that the Board made repayments amounting to TZS 1,737 billion (2021: TZS 2.083 billion) during the year as per the agreed repayment reschedule.</p> <p>Accrued interest in the financial statements was correctly computed by using an interest rate of 5% compared to the previous 15% prior to restructuring.</p> <p>As a result of the restructuring of the loan, the outstanding amount due to NSSF as at 30 June 2022 was TZS 21.366 billion (2021: TZS 22.027 billion) while interest expense was TZS 1.076 billion (2021: TZS 1.148 billion). No penalty was accrued during the period since NBAA complied with the repayment terms.</p>
<b>2</b>	<b>Investment in joint venture</b>	
	<p>The Board has an investment in a joint venture with a carrying amount of TZS 7.31 billion. The investment is considered as a significant risk area due to the following:</p> <ul style="list-style-type: none"> <li>• The Board must have a proper accounting policy and internal control to ensure that the investment in the joint venture is accurately accounted for.</li> <li>• Transactions relating to additional spending by the Board in respect of the</li> </ul>	<p>My audit of investment in joint venture balance involved checking completeness, accuracy and fair value of the investment. In addressing this matter I performed the following my audit:</p> <p>I reviewed the joint venture agreement between GEPF (in August 2018, GEPF was merged with other pension funds to form PSSSF) and NBAA to understand terms and conditions of the venture and establish the fair value of the joint venture</p>

No.	Area of focus	How my audit addressed the key audit matter
	<p>joint venture must be capitalized, hence this necessitated effective controls to ensure that accurate and appropriate amounts are capitalized on venture balances.</p> <ul style="list-style-type: none"> <li>• Moreover, the Board made additional TZS 1.137 billion from its own sources into repayment of loan which from agreement with APC Investment Center is to be accounted as improvements into the Joint Venture and thus additional investment. Hence, required proper accounting of the funds as correspondingly the share of NBAA in the Joint Venture was to increase by the same amount.</li> <li>• There was also a repurchase of equity contribution amounting to TZS 327 million from the Joint Venture by TZS 677 million, hence increase in joint ownership on the operation of APC Investment Centre.</li> <li>• Furthermore, the carrying value of investment in the joint venture must be adjusted directly with the share of loss or profit of the joint venture, hence this also raise the need for proper year end closure process which will ensure proper journals are passed for the recognition of such share from joint venture at year end.</li> <li>• Nature and amount involved with respect to investment in Joint Venture (JV) make investment in joint venture significant audit area during the audit.</li> </ul>	<p>by reviewing the equity contribution by each partner.</p> <ul style="list-style-type: none"> <li>• I evaluated and assessed whether the accounting policy for investment in APC Investment Centre (the joint venture) is in line with the applicable accounting standard.</li> <li>• I checked whether there was proper accounting for transactions in relation to the venture.</li> <li>• I reviewed the submitted financial statements of APC Investment Centre and ensured an appropriate share of loss is recognized as per the joint venture agreement. The agreement provides for the share of profit of loss to be as per the percentage of equity contribution from each partner. During the year, APC made a loss of TZS 1.946 billion of which share of loss to NBAA was TZS 1.187 billion equivalent to 61%.</li> </ul> <p><b>Results of my work</b></p> <p>Based on results of my work, I found that the Board's share of APC Investment Centre in 2021/22 has been increased to 61% compared to 58% as of 30 June 2021. The increase is attributed to the additional TZS 1.23 billion NBAA contributed to APC during the year and repurchase of equity contribution of PSSSF-amounting to TZS 327 million.</p>

### Other Information

Management is responsible for the other information. The other information comprises the Director's Report and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information that I obtained prior to the date of this audit report, I conclude that there is material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

## **Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions

are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap 418 [R.E. 2021] requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, 2011 (as amended in 2016) requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

## **1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS**

### **Compliance with the Public Procurement laws**

I performed a compliance audit on procurement of goods, works and services in the National Board of Accountants and Auditors for the financial year 2021/22 as per the Public Procurement Act, 2011 and its Regulations of 2013 (as amended in 2016).

#### **Conclusion**

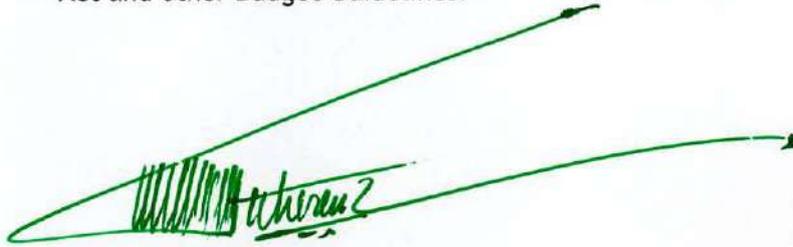
Based on the audit work performed, I state that, procurement of goods, works and services of NBAA is generally in compliance with the requirements of the Public Procurement laws.

### **Compliance with the Budget Act and other Budget Guidelines**

I performed a compliance audit on budget formulation and execution of the National Board of Accountants and Auditors for the financial year 2021/22 as per the Budget Act and other Budget Guidelines.

## Conclusion

Based on the audit work performed, I state that, Budget formulation and execution of the National Board of Accountants and Auditors is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

A handwritten signature in green ink, appearing to read 'Charles E. Kichere', is written over a horizontal line. Two long, thin green lines extend from the signature towards the right, pointing towards the red seal.

Charles E. Kichere  
Controller and Auditor General  
Dodoma, United Republic of Tanzania.  
April 2023



## **2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2021**

### **2.1 INTRODUCTION**

Those charged with governance submit their report together with the audited financial statements for the financial year ended 30 June 2022, which disclose the state of financial affairs of the NBAA. The Governing Board's Report has been prepared in accordance with the Tanzania Financial Reporting Standards (TFRS) No. 1, The Report by Those Charged with Governance.

### **2.2 NBAA PROFILE**

The National Board of Accountants and Auditors (NBAA) is an independent regulatory body for the accountancy profession established under Section 3 of the Accountants and Auditors (Registration) Act, CAP 286 and operating under the Ministry of Finance and Planning. The NBAA was established in 1972 and started carrying out its activities from 15 January 1973.

### **2.3 NBAA'S VISION**

"To become a world class professional accountancy body in Tanzania that serves the interests of stakeholders and protects the public interest".

### **2.4 NBAA'S MISSION**

"To protect public interest and provide exemplary services to stakeholders through setting high quality standards for the accountancy profession; registering members and practicing firms; regulating accountancy syllabi and conduct of members and practicing firms; developing the accountancy profession; advocating for good governance and building capacity of its human resource" This will be accomplished through:

- Setting high quality standards for the profession;
- Regulating registration of members and students;
- Monitoring accountancy training and conducting professional examinations;
- Regulating the conduct of members and students; and
- Providing continuing professional development programmes to enhance member's professional knowledge and skills.

### **2.5 NBAA'S CORE VALUES**

NBAA has five (05) basic corporate core values considered to be specific and related to the core business of the Board which can be memorized through the acronym PITIA. These core values outlined below state how the employees of the Board are expected to behave while serving members and other stakeholders of the accountancy profession in Tanzania.

- Professionalism
- Integrity
- Teamwork
- Innovation
- Accountability

## 2.6 PRINCIPAL ACTIVITIES

The principal activities of the NBAA according to Section 4 of the Accountants and Auditors (Registration) Act, CAP 286 are:

- Conducting examinations and issuing publications;
- Registration of members and professional firms;
- Regulation of the Accountancy Profession;
- Conducting of Continuing Professional Education (CPE) Programmes; and
- Formulating the appropriate National Accountancy Scheme and Syllabi.

## 2.7 EXTERNAL ENVIRONMENT ANALYSIS

The National Board of Accountants and Auditors (NBAA) is a professional accountancy organization operating under the Accountants and Auditors (Registration) Act, CAP 286. For the year under review, the Board managed to perform its activities as planned except for few activities which were not completed due to nature of the activity.

## 2.8 STRATEGIC OBJECTIVES

To preserve value over long term period, NBAA will continue to implement its strategic objectives stipulated in its Strategic Plan 2021/22-2025/26 namely:

- a) HIV/AIDS infections and non - communicable diseases reduced, and supportive services improved;
- b) Implementation of National Anti-Corruption Strategy enhanced, and corruption incidences reduced;
- c) Accountancy Profession improved and sustained;
- d) Governance and operations of the Board improved and sustained;
- e) Stakeholders' involvement and communication improved;
- f) Financial management improved and sustained.

To realise these objectives NBAA developed the following strategies:

- Implementing HIV/AIDS Policy;
- Preventing and combating corruption practices;
- Ensuring availability of relevant learning resources;
- Ensuring availability of comprehensive regulatory frameworks;
- Building capacity of accountancy trainers and other resource persons;
- Promoting accountancy profession and compliance with regulatory frameworks;
- Improving examination processes and administration;
- Improving business processes and service delivery;
- Building human resource capacity;
- Ensuring compliance with good governance practices;
- Improving ICT ability to support business processes and service delivery;
- Strengthening marketing of accountancy qualifications and functions of the Board;
- Improving corporate social responsibilities;
- Identifying new sources of revenue to enhance financial resources;
- Strengthening internal controls and risk management; and
- Improving procurement management and compliance

Key performance indicators used in assessing progress of the Board's strategic objectives are:

- Number of cases of HIV/AIDS infections at NBAA;
- Number of stigmatization cases;
- Number of staffs living with HIV/AIDS supported;
- Number of corruptions incidences;
- Number of corruption complaints;
- Percentage of compliance with accounting standards;
- Percentage of compliance with auditing standards;
- Percentage of compliance with laws and regulations;
- Candidates' pass rate;
- Level of stakeholders' satisfaction on services delivery;
- Meetings of the Governing Board and Management are done as per the schedules and charters;
- Level of customers' satisfaction;
- Increase of NBAA new students and members;
- Number of visitors to the NBAA portal;
- Percentage increase in revenue;
- Audit opinion; and
- Rate of Compliance with the Public Procurement Act and its Regulations.

## **2.9 KEY STRENGTHS**

The following are the key strengths which assist the Board in pursuit its objective:

- Existence of the Accountants and Auditors (Registration) Act, CAP 286 requires any person employed as accountant or auditor to register with the Board;
- Public confidence and trust on the administration of NBAA's examinations; and
- Existence of competent staff recruited based on the qualifications enshrined in schemes of service.

## **2.10 RELATIONSHIP WITH STAKEHOLDERS**

The NBAA continued to maintain its relations with the general public, local and international organizations and remained a member of the International Federation of Accountants (IFAC). The NBAA also maintained close working relationships with all other IFAC member bodies, including accountancy associations throughout the world. The NBAA is among the 37 founding members of the Pan African Federation of Accountants (PAFA) established in May, 2011 in Dakar, Senegal. The relations have enhanced the NBAA's current professional developments and technological changes taking place in other parts of the world. NBAA has continued to maintain its associate membership with the Dar es Salaam Stock Exchange (DSE) until June, 2022 when DSE was demutualised to become DSE PLC, and NBAA remains to be one of the DSE PLC founding members.

For the purpose of discharging its duties the Board cooperate with other government and other stake holders. Main stakeholders who integrated with the Board in executing its responsibility of regulating accountancy profession are:

### **a) Ministry of Finance and Planning**

In the matter of major economic policies and finance, the Ministry of Finance and Planning is issuing guidelines to the Board. The Ministry is also responsible for allocating fund from national budget and releasing fund to the Board as per approved budget.

**Key concerns**

They were concerned about entity growth prospects in a challenging operating environment, including management's decision to allocate financial capital in different priorities. The ministry is also interested in how we are embedding sustainability considerations into our business practices.

**Value we create**

Continuous engagement to ensure full disclosure and open communication so as to inform the Ministry on their investment decisions to the Board.

**b) Regional and International Accountancy Professional Bodies**

The Board collaborates with regional and international Professional Boards such as International Federation of Accountants (IFAC), Pan African Federation of Accountants (PAFA), African Organization of Supreme Audit Institutions (AFROSAI) and the Mutual Recognition Agreement signed among East Africa Community Institutes of Accountants in 2011 to ensure compliance to various Standards, regulations and requirements as well as sharing of knowledge, experience and benchmarking.

**Key concerns**

Their key concern is to improve and increase supervision and ensure accountants and auditors adhere to the compliance to standards.

**Value we create**

Continuous NBAA seminar, training and workshop to the auditors and accountants for capacity building and knowledge sharing.

**c) Regulators**

The Board collaborates with other regulators to ensure compliance to various standards, regulations and requirements, harmonization of rules, guidelines, procedures, and standards on issues relating to financial reporting.

**Key concerns**

The key concern is to improve and increase supervision and ensure accountants and auditors adhere to the compliance to standards

**Value we create**

NBAA has been taking measure to the accountants and auditor who do not comply to the ethics of auditing and accounting. NBAA has been conducting workshops and seminar training for capacity building and knowledge sharing.

**d) General public**

The public continued to be the main partner in helping the board to pursue its objectives. This was done through their various contributions towards the Board activities.

**Key concerns**

They desire NBAA to be more intuitive and time efficient. Providing excellent customer service.

**Value we create**

Developing innovative solutions that meet our customers' specific needs.

**e) Employees**

Our staff are key to making NBAA a great place to work. Motivated and skilled staff, together with efficient and value-creating solutions, services and operations offer value to our customers. Staff as part of society, contribute materially to the communities in which they live and work.

**Key concerns**

They want to grow as the entity grows, open doors for career progression, opportunities to contribute to society and a work environment that is friendly, safe and conducive for work life balance.

**Value we create**

- Rewarding staff for the value they add.
- Developing our staff to further their careers and studies.
- Transforming into an inclusive society through gender equality.
- Motivating and energising our workforce.

**f) Students/Members**

These are important key stakeholders as they provide an assurance of how we NBAA fulfil the requirements of the enabling Act.

**Key concerns**

- Conducting examinations that are within the syllabus requirements
- Enhancement of their professional competences
- Personal and technical support, query resolution and advocacy
- Sustainability of the accountancy profession within the country.
- Value of NBAA examinations and membership

**Value we create**

- Availability of Continuous professional development
- Provision of Technical and non-technical training
- Timely delivery of professional support
- Enhanced Information and Communication Technology
- Availability of comprehensive and quality control procedures for examination conducted.

## 2.11 RESOURCES

In executing its duties, NBAA has the following key resources / inputs, some are tangibles and others are intangibles as explained further below:

### a) Financial resources

The subvention from Government accounted for 10.92% in 2022 (2021:11.87%) while the internal sources contributed 89.08% (2021: 88.13%) of the total fund required to finance Board's operations. The Board believes that the Government through the Ministry of Finance and Planning will continue to finance it in various activities.

### b) Manufactured resources

NBAA sees manufactured capital as material goods, infrastructure and technology, leased or wholly owned and whose value is realized in the delivery of products and services. NBAA strives to tap manufactured capital to drive the realization of financial capital.

NBAA's manufactured capital is key to sustainable business growth. NBAA's flexibility and resilience in the market is enabled by the efficient use of manufactured capital, allowing it to respond to societal needs, be innovative, and efficiently deliver new products and services to the market. Furthermore, efficient deployment of manufactured capital reduces resource use and system downtime, thus enhancing both operational and cost efficiencies, ensuring sustainable growth. NBAA has continuously invested in technology platforms to make operations more efficient with less or without physical interactions with students and members.

### c) Human resources

To deliver on our strategy we have a team of 60 (2021: 57) engaged employees serving our customers across the business, drawn from diverse backgrounds. NBAA is committed to developing an elaborate best-in-class employee value proposition to ensure our staff successfully deliver on the entity's strategies. NBAA wants to reinforce a culture of high performance underpinned by ethical conduct and personal responsibility for performance by continually investing on human resource development focusing on training, staff wellness, staff recognition, competitive remuneration and career growth.

### d) Social and relationship resources

This is composed of ethical and transparent relationships with our customers, shareholders, investors, suppliers, regulatory bodies, government and society. It also includes the skill of sharing value with our stakeholders to improve individual and collective welfare.

### e) Natural resources

Natural capital consists of renewable and non-renewable environmental resources, consumed or affected by our business for the prosperity of the organization. Here we are mainly talking about water, soil, ores, forests and biodiversity. We understand that, even though we are a service business, our activities impact the environment in one way or another. Our main sources of electricity and water consumption, for example, come from cooling systems and the use of

electronic equipment. Our strategy to increasingly become a more digital institute has strongly contributed to a reduction in paper consumption. A large part of our internal processes no longer use paper, which is replaced by electronic and digital means. Our operations are highly dependent on the availability of electricity and, therefore, we seek to continually improve our energy efficiency through internal projects and consumption reduction targets.

#### **2.12 APPROPRIATION OF RESERVES/SURPLUS**

The NBAA is a public institution that is not for profit and for that reason; there is no declaration of dividends. Surplus generated, if any, is used for financing its future activities according to Section 29 of the Budget Act of 2015.

#### **2.13 CORPORATE GOVERNANCE STATEMENT**

The Board is committed to the principles of effective corporate governance. The Directors also recognise the importance of integrity, transparency and accountability.

Corporate Governance is the backbone to any organization's strategy and success. It provides a framework within which corporate objectives are set and performance monitored, as well as providing assurance to stakeholders. Governance has proven from time immemorial to be paramount to the success of any institution. Corporate governance continues to advance, with the focus currently being on environmental, social and governance (ESG) factors and the role of corporates in their attainment. The Code emphasizes the need for boards to adopt an ESG lens in guiding performance thereby promoting sustainable practices.

NBAA has diversity in its board and hence it has ensured that the board is well equipped to the new advancement in Corporate Governance in respect to environmental, social and governance (ESG). NBAA has ensured its services offerings are aligned with the global best practices on ESG.

##### **a) Board operations and control**

###### **i. Principle on appointment of Board members**

The Chairperson of the Governing Board is appointed by the President of the United Republic of Tanzania, for a term of three years. The appointment of the rest of the Governing Board members is done after every three years by the Minister for Finance and Planning after consultation with the NBAA as stipulated in the Accountants and Auditors (Registration) Act CAP 286 under clause 1-9 of the schedule. The Chairperson of the Governing Board may, unless he resigns or his membership is otherwise terminated, hold office for a maximum of two consecutive terms of three years each.

###### **ii. Responsibilities of the Board**

NBAA is committed to the principles of effective corporate governance. The Directors also recognize the importance of integrity, transparency, and accountability. The Board has the overall responsibility for the activity, including responsibility for identifying key risk areas, considering and monitoring investment decisions, significant financial matters and reviewing performance of management business plans and budgets. The Board is also responsible for ensuring that a

comprehensive system of internal control policies and procedures is operative and is compliance with sound corporate governance principles.

**iii. Structure of the Board**

To ensure effectiveness and value addition to the entity, the Board has a maximum of thirteen (13) members including the Chairman. In addition, the Board had established six (6) Committees. The Board and its Committees have Charters which provide terms of reference and guidance on undertaking their oversight role. Thus, the Board ensures that its committees are appropriately constituted with members who have the necessary skills and expertise to handle the responsibilities allocated to them.

**iv. The Board instruments.**

NBAA has developed the Board's Code of Ethics and Conduct in compliance with in accordance with the Treasury Registrar's Board of Directors Code of Ethics and Conduct Guidelines, 2016. The Code has been cascaded down to all employees, as well as to the established Charters of the Board and its Committees so as to guide the Board in undertaking its oversight role and planned activities. The Code and the Charters are reviewed where needs arise to cope with changes. Further, the Board develops a work plan and an evaluation toolkit annually, to ensure effectiveness.

**v. Independence of Board members**

The Board assesses the independence of Board members on an annual basis, to ensure that the Board always benefits from independent and objective judgment.

**vi. Principle on age limit for the Board members**

The Government has prescribed 70 years as the age limit for Board members.

**vii. Governance and audit**

The Board continues to oversee the management on implementation of the Controller and Auditor General's recommendations made during the statutory audit of the financial year 2020/2021. In addition to that, the Board continues to oversee the implementation of recommendations made by the Office of the Treasury Registrar following Management/ Governance audit conducted in the financial year 2020/2021.

**viii. Rights of the Government and other stakeholders**

NBAA recognizes, respects and protects the rights of the Government and other stakeholders through:

- Availing information on the NBAA's performance by publishing annual reports together with audited financial statements.
- Ensuring equitable treatment of all members in discharging the NBAA's functions; and
- Engaging the media on dissemination of important NBAA's information.

**ix. Stakeholder relations**

The Board has identified categories of stakeholders which are Government, employees, regulators, Regional and International Accountancy Professional Bodies, members and the general community. Before making its decisions, the Board takes the interests of all stakeholders into account to ensure that engagement with stakeholders is deliberate and planned. Furthermore, the Board wishes to ensure that communication with stakeholders is always transparent and effective.

**x. Ethics and social responsibility**

The Board has identified the following four ethical values, which underpin good corporate governance, to guide all its deliberations, decisions and actions:

- **Responsibility:** The Board assumes responsibility for the assets and actions of the entity (NBAA) and is willing to take corrective actions to keep the entity on a strategic path that is ethical and sustainable;
- **Accountability:** The Board justifies its decisions and actions to the Government and other stakeholders;
- **Fairness:** The Board ensures that it considers the legitimate interests and expectations of all stakeholders; and
- **Transparency:** The Board discloses information in a manner that enables stakeholders to make an informed analysis of the NBAA's performance and sustainability.

NBAA has developed the Board's Code of Ethics and Conduct, 2022 to ensure that its business is conducted according to the highest ethical standards and in compliance with all the applicable laws and regulations governing the regulation of the entity. The provision of the Code apply to all directors and the board ensures that all the directors, senior management and staffs adhere to it.

**xi. Risk management and internal control**

Risk management is about understanding the uncertainties facing the Corporation, and developing strategies to benefit from them, or minimise their impact on the achievement of the Corporation's targets and strategic objectives. The Corporation performs comprehensive examinations to assess the risks to which it is exposed and to determine the materiality of such risks. Thus, the risk-management strategy of the Corporation is designed to support the achievement of the Corporation's strategic objectives as a whole, while identifying and quantifying risks, establishing risk ownership, and maximizing business value, taking into consideration costs in terms of risk, by every responsible function at all levels of the Corporation.

**b) Composition of the NBAA Governing Board**

The NBAA Governing Board is composed of 13 members including the Chairman and the Executive Director as an ex-officio member.

NBAA is committed to having a great 'mix' of qualified individuals appointed to the Board, as diversity is not only a strength but also provides great competitive edge. Diversity is observed through differentiation in the age of Directors, their gender, and professional qualifications.

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

The Governing Board which held office during the year under audit was appointed effective from 09 November 2021 to 08 November 2024. (*Source: Board members appointment letter no. Na.CJA.55/382/01/TF (2)/37-49 dated 06 January 2022 by the Permanent Secretary of Ministry of Finance and Planning*).

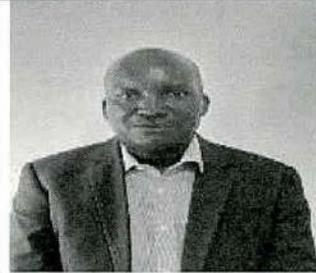
**Table 1: Composition of the Governing Board**

	<p><b>CPA Prof Sylvia S Temu, Chairperson (Age: 64), Female, Tanzanian</b></p> <p>CPA Prof Sylvia holds a PhD in Business Administration (University of Bremen, Germany), Master of Business Administration (Diplom Kauffrau) Technical University of Berlin, Germany, Certificate in Technology Management and Cooperation (Technical University of Berlin, Germany), Bachelor of Commerce (Honours), Specializing in Accounting First Class (UDSM), and Certified Public Accountant (CPA).</p>
<p>CPA Prof Sylvia is Associate Professor in Business Management University of Dar es Salaam Business School and A former Director of Higher Education, Ministry of Education, Science and Technology from 2013 to 2017.</p> <p>She has also worked as Deputy Director Centre for Continuing Education (CCE), Director University Consultancy Bureau, Director of Planning and Finance, and Deputy Vice Chancellor Research at University of Dar es Salaam. in Dar es salaam where She has worked for thirty-three years. Also, She has an extensive experience in scholarly as she is also an academician who lectured at different levels at University of Dar es Salaam.</p>	
<p><b>CPA Prof. Ganka D. Nyamsogoro, Director (Age: 50), Male, Tanzanian</b></p> <p>Doctor of Philosophy in Finance (UK), MSc. International Banking and Finance (UK), ADCA (IDM-Mzumbe), and Certified Public Accountant (CPA (T)).</p>	
<p>Ganka has worked as the Acting Head, Department of Accounting and Finance (DAF), Associate Director - Directorate of Research and Postgraduate Studies (DRPS), Dean, School of Business, and the Principal, Mzumbe University Dar es Salaam Campus College before being appointed as the Deputy Vice Chancellor (Academic Affairs) of Mzumbe University from March 2017 to July 2021.</p> <p>He has worked as a visiting lecturer for Development Finance and Quantitative Methods courses offered at master's level by the University of Bradford (UK). He has also worked as a visiting lecturer in Microfinance for International Development, a Masters Course at the University of Greenwich in the UK. He is also an adjunct professor and a moderator of examinations of several universities in Tanzania and Africa. He has supervised several Masters' dissertation in financial markets in Ghana, Nigeria, Bangladesh, India, and Sri-lanka. Currently, he supervises and examines PhD candidates registered in several universities in Africa. Ganka was the first chairman of the Mzumbe University Audit Committee. He has been a trainer in Portfolio and Investment Analysis, Capital Markets, Current Issues in Accounting and Finance, Banking and in Financial Management, Financial Accounting, and Cost and Management Accounting.</p>	

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

	<p><b>CPA Paul R Bilabaye, Director (Age: 50), Male, Tanzanian.</b></p> <p>Post Graduate Diploma in Leadership (Alto University-Finland), Certified Procurement and Supplies Professional (CPSP), MBA- Corporate Management (Mzumbe University) and Certified Public Accountant (CPA (T))</p>
<p>Currently he is the Head of Finance and Administration at Procurement and Supplies and Technician Board (PSPTB) before that he was acting as Director of Finance for Administration for four years (2009 - 2013), He has been a Finance Manager at National Board of Material Management (NBMM) (2006 - 2008). He has also worked at Tanzania Education Authority (TEA) as Senior Accountant. He also worked as Accounts Assistant at National Board of Material Management (NBMM) (1998 - 2001). He has also been a trainer/facilitator in various occasions like Uongozi Institute Training Programme to NACTE, TANESCO, Ministry of Minerals, Kibaha Town Council and TARURA, Uongozi Institute Training Programme to over 180 District Executive Directors and District Commissioners between 2017 - 2018 and so many other trainings.</p>	
<p><b>CPA John F Ndetico, Director (Age: 56), Male, Tanzanian</b></p> <p>Mr John holds a Master of Project Management (MPM) (Open University of Tanzania), Master of Business Administration (MBA) - Finance and Banking, Post Graduate Diploma (PGD)- Financial Management (Maastricht School of Management-Netheland) and Certified Procurement Supplies Professional, Advance Diploma in Certified Accountancy - IDM Mzumbe and Certified Public Accountant (CPA(T), Certificate of Directorship (CiDir) IODIT</p>	
<p>He is the Customer Service Manager of Arusha Urban Water Supply and Sanitation Authority (AUWSA), He was employed by Arusha Urban Water Supply and Sanitation Authority as Finance Officer from 1<sup>st</sup> July 1999 to 4<sup>th</sup> August 2013 and then he was appointed as Commercial Manager from 5<sup>th</sup> August 2013 up to 3<sup>rd</sup> March 2020. He is a Member of the Pangani Water Basin Office Audit Committee and the chairman of the Tender Board at Arusha Urban Water Supply and Sanitation Authority.</p>	
	<p><b>CPA Witness M Shilekirwa, Director (Age: 53), Female, Tanzanian</b></p> <p>Ms Witness is a Chartered Accountant with Certified Public Accountant - FCPA (T). She holds master's in business administration (MBA) from East and Southern Africa Management Institute (ESAMI) and Advanced Diploma in Certified Accountancy from Mzumbe University (IDM) of Tanzania</p>

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

<p>She is a founder and Managing partner of Mazars Tanzania since 2016 with experience of over 20 years in professional firms. Witness begun her career at Price water house Coopers Tanzania, (formerly Coopers and Lybrand) in November 1996 as an audit assistant where she worked for 3 years before joining Deloitte Tanzania in 2000. Witness was seconded to Deloitte Canada in October 2004 until March 2006 when she returned to establish Wiscon Associates. In 2014 she started work as a correspondent of Mazars for 3 years until 2017 when the firm integrated with Mazars Global.</p>	
<p><b>CPA Francis M. Mwakapalila, Director (Age: 55), Male, Tanzanian</b></p> <p>Mr Francis holds a master's degree in Auditing Management and Consultancy from University of Central England, Birmingham, United Kingdom, Advanced Diploma in Accountancy from Institute of Finance Management (IFM) and Certified Public Accountants - CPA(T).</p>	
<p>He has been working with high -profile organisations and proven track record of developing and implementing financial management strategies as Director of Finance Tanzania Petroleum Development Corporations (TPDC) and Accountant General of The United republic of Tanzania. He has held various position in the United Government of Tanzania such Accountant General of the United Republic of Tanzania.</p>	
<p><b>CPA. Adv. Fredrick B Msumali, Director (Age: 55), Male, Tanzanian.</b></p> <p>Mr Fredrick holds a B.com (hons) in Finance -UDSM, MBA(Marketing) - UDSM, LLB -Tumaini University, Postgraduate Diploma in Legal Practice - Law school of Tanzania, Advocate of the High Court of Tanzania.</p>	
<p>He is founding and Managing Partner of an Audit Firm (Elite Finance Managers), he also worked with Group Five (pty) International Ltd as a Finance Manager. His audit carrier started when he joined Price water house coopers. He was also involved in a World Bank Internal Audits in Tanzania and Zambia Missions. He is a practicing advocate who provided a number of legal solutions to his clients.</p>	
	<p><b>CPA Rukia J Adamu, Director (Age: 66), Female, Tanzanian</b></p> <p>Ms Rukia holds a master's degree in Business Administration (UDSM) Advance Diploma in Certified Accountancy from IDM Mzumbe and Certified Public Accountants -CPA(T),</p>
<p>She worked as Deputy Director Accounting Operations, Deputy Director Management Accounting at Tanzania Revenue Authority also She worked as Group Management Accountant, National Credit manager, plant Accountant, and fixed asset Accountant with Tanzania Breweries Ltd Also She Worked as Chief Accountant, Finance and Administrative Manager with Dar Brew and Tanzania Distiller's Limited respectively both subsidiary companies of Tanzania Breweries Limited.</p>	

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

<p><b>CPA Aisha R Kapande, Director (Age: 43), Female, Tanzanian.</b></p> <p>Ms Aisha holds a Master of Business Administration (MBA) -University of Dar es salaam, Postgraduate Diploma in Finance Management- Institute of Finance Management (IFM) and Certified Public Accountant -CPA(T).</p>	
<p>She is amongst women in the accounting profession who works very hard, she is working with the Institute of Social Work as Senior Accountant, she has also worked with Hashi Energy Tanzania ltd in the same position of Senior Accountant. She has also worked with Engen Marketing Tanzania and Chevron Tanzania (T) Ltd in different times under the position of Stock Accountant. On her way to Professional Accountant, she has also worked with Care International Tanzania under the position of Assistant Grant Officer (September 2003 to May 2004), Assistant Internal Auditor (June 2001 to October 2004) and under the position of Fund Accountant (March 2006 to February 2007).</p>	
	<p><b>CPA Issa I. Masoud, Director (Age: 40), Male, Tanzanian</b></p> <p>Mr Issa holds a master's degree (Msc: Finance and Accounting), Advanced Diploma in Accountancy (ADA) and Certified Public Accountants -CPA(T).</p>
<p>He has been working with high -profile organization in the media arena thus Clouds Media Group who are owners of Clouds FM, Clouds TV, Times FM and other media forums. He has been Finance Manager since 1st April, 2014. He has also worked with BOA Bank Tanzania Ltd Morogoro Branch as a Senior Branch Manager.</p>	
<p><b>CPA Dyoya G Dyoya, Director (Age: 59), Male, Tanzanian</b></p> <p>Mr Dyoya is a Certified Public Accountant in Public Practice. He holds a master's degree in international Trade Economics (UDSM).</p>	
<p>He has been working with high -profile organisations and proven track record of developing and implementing financial management strategies as follows Chief Internal Auditor Kilimanjaro Reginal Office, Chief Internal Auditor - Tanzania Airport Authority, Chief Internal Auditor at Community Development , Gender and Children, Chief Internal Auditor Prime Minister office Chief Compliance Office at Judiciary and Ag Chief Internal Auditors at Ministry of Energy and Minerals Also he has an experiences on Trade and Business Negotiations, WTO/Multilateral Trading Systems, Regional Integration, Audit and Investigations and Accounting, Public Finance and Investment.</p>	
<p><b>CPA Rukia H Abdulla, Director (Age: 55), Female, Tanzanian</b></p> <p>Mrs Rukia holds a Master of Science in finance from the University of Strathclyde (UK). Post Graduate Diploma in Financial Management (PGDFM) IFM, Advance Diploma in Certified Accountancy (ADCA) IDM-Mzumbe, Certified Public Accountant (CPA (T)) and Diploma in International Public Sector Accounting Standards (IPSAS)-NBAA.</p>	

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

She has been working with high -profile organizations and proven track record of developing and implementing financial management strategies as follows Manager - Finance and Administration at Zanzibar Roads Fund, Director of Finance at The State University of Zanzibar (SUZA), Acting Director of Finance at The State University of Zanzibar (SUZA), Head - Department of Finance at The State University of Zanzibar (SUZA), Bursar at The State University of Zanzibar (SUZA), Deputy Bursar at The State University of Zanzibar (SUZA), Financial Analyst at Zanzibar Investment Promotion Agency (ZIPA), Chief Accountant at Zanzibar Investment Promotion Agency (ZIPA).



**CPA Pius A. Maneno**, Executive Director and Secretary to the Board (Age: 56), Male, Tanzanian

Mr. Maneno holds B.COM (UDSM), master's in accounting (UK), Post graduate Diploma in Management (Netherland). Certified Public Accountant (CPA (T)) and Chartered Company Director

He is Executive director of National Board of Accountants and Auditors, He worked as Acting Executive director of The National Board of Accountants and Auditors, Manager Corporate Services of The National Board of Accountants and Auditors, Manager Finance and Administration of The National Board of Accountants and Auditors.

**c) Attendance of Governing Board Meetings**

During the year, the Governing Board held two meetings.

No.	Name	Meeting Attendance	Position
1.	CPA Prof. Sylvia S. Temu	2/2	Chairperson
2.	CPA Prof. Ganka D. Nyamsogoro	2/2	Vice Chairperson
3.	CPA Paul R. Bilabaye	2/2	Director
4.	CPA Issa M. Iddi	2/2	Director
5.	CPA Witness M. Shilekirwa	2/2	Director
6.	CPA Francis M. Mwakapalila	2/2	Director
7.	CPA Rukia J. Adamu	2/2	Director
8.	CPA John F. Ndetico	2/2	Director
9.	CPA Adv Fredrick B. Msumali	2/2	Director
10.	CPA Aisha R. Kapande	2/2	Director
11.	CPA Dyoya G. Dyoya	2/2	Director
12.	CPA Rukia H. Abdulla	2/2	Director
13.	CPA Pius A. Maneno	1/2	Executive Director and Secretary to the Board

Source: Board Chairman appointment letter no CCD.109/273/01/T/18 dated 22 November 2021 and Board members appointment letter no. Na.CJA.55/382/01/TF/ (2)/37-49 dated 06 January 2022 with effect from 19 December 2021

During the year under review the Governing Board discussed and deliberated the following agendas.

Meeting Number	Date	Meeting Type	Agenda Number	Agenda	Key Resolutions
<b>SUBMISSION FROM THE FINANCE AND HUMAN RESOURCES COMMITTEE</b>					
186	31st March 2022	Ordinary	186.4.1	Proposed Finance and Human Resource Committee Charter	Approved the Proposed NBAA Finance and Human Resource Committee Charter

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

Meeting Number	Date	Meeting Type	Agenda Number	Agenda	Key Resolutions
			186.4.2	Budget Implementation Report for the 2nd Quarter of Year 2021/22	Approved the Budget Implementation Report
			186.4.3	Proposed NBAA Recurrent and Capital Budgets for the Financial 2022/2023	Approved the Proposed NBAA Recurrent and Capital Budgets for Financial Year 2022/23
			186.4.4	Procurement Report for the 1st And 2nd Quarters of the Financial Year 2021/ 2022	Approved Procurement Report for the 1st and 2nd Quarters of the financial year 2021/2022
			186.4.5	Proposed Annual Procurement Plan for financial year 2022/2023	Approved the Proposed Annual Procurement plan
			186.4.6	Proposed Review of Transport Allowance for Members and Non-Members Attending Board Meetings	Approved the Proposed Review of Transport Allowance as submitted
			186.4.7	NBAA and Treasury Registrar's Performance Contract: Fourth Quarter Implementation Status Report (April -June 2020/2021)	Approved the 4th Quarter Implementation Status report for year 2020/2021
			186.4.8	Taarifa Fupi ya Kituo cha Taaluma ya Uhasibu (APC)	Noted the report
			186.4.9	Staff Matters	Noted the appointments on Superlative Substantive Posts status, NOTED five (05) employees left NBAA from April 2021, five (05) employees joined NBAA from March 2021, and APPROVED list of NBAA staff to be promoted for the year 2021/2022
<b>SUBMISSION FROM THE AUDIT COMMITTEE</b>					
186	31st March 2022	Ordinary	186.5.1	Proposed Audit Committee Charter	Approved the Proposed NBAA Audit Committee Charter as submitted
			186.5.2	Internal Audit Report for Quarters I and II of the Financial Year 2021/2022	Approved the Internal Audit Report for Quarters I and II as submitted and directed management to ensure that the findings are implemented as stated in responses.
<b>SUBMISSION FROM THE EDUCATION AND PUBLICATIONS COMMITTEE</b>					
186	31st March 2022	Ordinary	186.6.1	Proposed Education and Publication's Committee Charter	Approved Education and Publications Charter as submitted
			186.6.2	Institutional Visits Report December 2021 - March 2022	Noted the Institutional Regulatory Visits January - March 2022 as submitted
			186.6.3	Revised Examination and Training By-laws 2022	Approved the bylaws to be forwarded to Ministry of Finance and Planning for further processes

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

Meeting Number	Date	Meeting Type	Agenda Number	Agenda	Key Resolutions
			186.6.4	Vetting of the Examination Results of the 11th Intake Diploma in IPSAS Examinations - February 2022	Approved 64 candidates who qualified for the award of letters of success and Diploma in IPSAS to be awarded during the next NBAA Graduation Ceremony
			186.6.5	Highlights of the Results of the 11th Intake Diploma in IPSAS Examinations - February 2022	Approved 64 candidates who qualified for the award of letters of success and Diploma in IPSAS to be awarded during the next NBAA Graduation Ceremony
			186.6.6	Results' Booklets of the 11th Intake Diploma in IPSAS Examinations - February 2022	Approved 64 candidates who qualified for the award of letters of success and Diploma in IPSAS to be awarded during the next NBAA Graduation Ceremony
			186.6.7	Examiners' Report of the 11th Intake Diploma in IPSAS Examinations - February 2022	Approved Seventy-one (71) candidates who qualified for success letter and CPA (T) Certificates and four (4) candidates who cleared the subjects with local contents
			186.6.8	List of Candidates Qualifying for the award of Diploma in IPSAs - February, 2022	Approved Seventy-one (71) candidates who qualified for success letter and CPA (T) Certificates and four (4) candidates who cleared the subjects with local contents
			186.6.9	Vetting of the Examination Results of the 13th Mid-session Examinations - February 2022	Approved Seventy-one (71) candidates who qualified for success letter and CPA (T) Certificates and four (4) candidates who cleared the subjects with local contents
			186.6.10	Highlights of the Results of the 13th Mid-session Examinations - February, 2022	Approved Seventy-one (71) candidates who qualified for success letter and CPA (T) Certificates and four (4) candidates who cleared the subjects with local contents
			186.6.11	Results' Booklets of the 13th Mid-session Examinations - February 2022	Approved Seventy-one (71) candidates who qualified for success letter and CPA (T) Certificates and four (4) candidates who cleared the subjects with local contents
			186.6.12	Examiners' Report of the 13 <sup>th</sup> Mid-session Examinations - February 2022	Approved Seventy-one (71) candidates who qualified for success letter and CPA (T) Certificates and four (4) candidates who cleared the subjects with local contents

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

Meeting Number	Date	Meeting Type	Agenda Number	Agenda	Key Resolutions
			186.6.13	List of Candidates Qualifying for the CPA (T) Equivalent Certificate - February, 2022	Approved Seventy-one (71) candidates who qualified for success letter and CPA (T) Certificates and four (4) candidates who cleared the subjects with local contents
			186.6.14	List of Candidates Qualifying for the CPA (T) Certificate - February, 2022	Approved Seventy-one (71) candidates who qualified for success letter and CPA (T) Certificates and four (4) candidates who cleared the subjects with local contents
<b>SUBMISSION FROM THE MEMBERSHIP, ETHICS AND COMPLIANCE COMMITTEE</b>					
186	31st March 2022	Ordinary	186.7.1	Draft Membership, Ethics and Compliance Committee Charter	Approved Membership, Ethics and Compliance Committee Charter as submitted
				Registration of New Members	Approved the request for registration of 27 new Members as submitted.
				Draft - The Accountants and Auditors (Registration) and (Practicing) By-laws -2022	Recommended them to be forwarded to the Ministry of Finance and Planning for further action
<b>SUBMISSION FROM THE TECHNICAL AND ADVISORY SERVICES COMMITTEE</b>					
186	31st March 2022	Ordinary	186.8.1	Proposed Technical Services Committee Charter	Approved the Technical Services Committee Charter as submitted
			186.8.2	Updates on Technical Issues- First Quarter 2022	Approved the Updates on Technical Issues- First Quarter 2022
			186.8.3	TFRS 1: Disclosure Checklist	Approved the TFRS 1: Disclosure Checklist
			186.8.4	Status on OCAM and NBAA Accrual based IPSAS project in Mozambique	Noted the Status report on OCAM and NBAA - Accrual Based IPSAS Project as submitted.
<b>SUBMISSION FROM PUBLIC SECTOR COMMITTEE</b>					
186	31st March 2022	Ordinary	186.9.1	Proposed Charter of Public Sector Committee	Approved the Charter of the Public Sector Committee as submitted
			186.9.2	The Accountancy Profession Preproposal Budget for the year 2022/2023 Government Budget	Approved the Accountancy Profession Pre - Budget Proposals as submitted.
<b>SUBMISSION FROM THE FINANCE AND HUMAN RESOURCES COMMITTEE</b>					
187	28th June 2022	Ordinary	187.4.1	Staff matters	Noted the Staff matters report as submitted including promotion, left and appointment.
			187.4.2	Budget Implementation Report for the 3rd Quarter of Year 2021/2022	Approved the Budget Implementation Report for the 2nd Quarter of the year 2021/22 as submitted.

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

Meeting Number	Date	Meeting Type	Agenda Number	Agenda	Key Resolutions
			187.4.3	Reviewed Budget for the Financial year 2021/22	Approved Revised Budget for the Financial Year 2021/22 as submitted.
			187.4.4	Procurement Report for Third Quarter ended 31st March 2022	Approved the Procurement Report for the 1st and 2nd Quarters of the financial year 2021/2022 as submitted.
			187.4.5	Reviewed Procurement Plan for financial year 2021/22	Approved Annual Procurement Plan Review for the financial year 2021/2022 as submitted.
			187.4.6	APC Progress Report	Noted the APC Business Performance Report from 1st July, 2021 to 31st March 2022
			187.4.7	NBAA/PSSSF Conversion of Equity to Loan	Approved the Proposal for Conversion of PSSSF Joint Equity Capital into Preference Shares
			187.4.8	TR Contract Implementation Report June 2022	Approved NBAA and Treasury Registrar's Performance Contract as submitted
			187.4.9	Proposed Construction of NBAA Dodoma Offices	Noted the Report update on the Construction of Dodoma Mhasibu House
			187.4.10	Proposed Code of Ethics and Conduct for NBAA Governing Board	Approved Proposed Code of Ethics and Conduct for NBAA Governing Board Contract as submitted
			187.4.11	NBAA 50 Years Anniversary 2022	Approved NBAA 50 Years Anniversary plan/program me
<b>SUBMISSION FROM THE AUDIT COMMITTEE</b>					
187	28th June 2022	Ordinary	187.5.1	Internal Audit Report for Quarter III of Financial Year 2021/2022	Noted the Internal Audit Report for Quarter III of the Financial Year 2021/2022
			187.5.2	Proposed Internal Audit Plan 2022/2023	Adopted the Internal Audit Plan for the Financial Year 2022/2023 as submitted
			187.5.3	Follow up on External Auditors Recommendations for Financial Year 2021/2022	Noted Implementation of Management Letter for the year 2020/2021 as submitted
<b>SUBMISSION FROM THE EDUCATION AND PUBLICATIONS COMMITTEE</b>					
187	28th June 2022	Ordinary	187.6.1	Inclusion of one candidate in the February 2022 CPA (T) List	Approved the Inclusion of one candidate in the February 2022 CPA (T) List as submitted

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

Meeting Number	Date	Meeting Type	Agenda Number	Agenda	Key Resolutions
			187.6.2	African Professionalization Initiative (API) Competence Framework	Management to identify which lacks in CPA and is available in the API, API should not have same value with Post graduate Diploma as will undermine the CPA and Management to prepare a full-fledged paper and re submit to the Board for further discussion
			187.6.3	Vetting of the Results of the 95th Board's Examinations - May 2022	The 46 candidates who have passed the Accounting Technician Level II examinations be awarded the Certificate of Completion of the Accounting Technician examinations on graduation day, The 386 candidates, who have passed cleared their CPA (T) examination papers, be awarded the Certificate of Completion of the CERTIFIED PUBLIC ACCOUNTANT - CPA (T) examinations on the graduation day , The 17 candidates with foreign CPA qualifications, be awarded letters and certificates of eligibility to register as CPA (T) equivalent.
			187.6.4	Highlights of the Results the 95th Board's Examinations May 2022	Noted the Highlights
			187.6.5	Examiners' Report the Results the 95th Board's Examinations May 2022	Noted the examiner's report
			187.6.6	List of Candidates Qualifying for Accounting Technician Certificate - May 2022	Approved the lists as submitted
			187.6.7	List of Candidates Qualifying for CPA (T) Certificate May 2022	Approved the lists as submitted
			187.6.8	List of Candidates Qualifying for CPA (T) Equivalent Certificate - May 2022	Approved the lists as submitted
			187.6.9	List of Candidates Qualifying for Awards - May 2022	Approved the lists as submitted
<b>SUBMISSION FROM THE MEMBERSHIP, ETHICS AND COMPLIANCE COMMITTEE</b>					
187	28th June 2022	Ordinary	187.7.1	Regulatory Visits Report for the 1st,2nd and 3rd Quarters of Year 2021/2022	Adopted Regulatory Visit Report for the 1st, 2nd and 3rd Quarters of Year 2021 -2022 as submitted

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

Meeting Number	Date	Meeting Type	Agenda Number	Agenda	Key Resolutions
			187.7.2	Regulatory Visits Report Programme for the Year 2022/2023	Adopted the Regulatory Visits Programme for the Year 2022/2023 as submitted
			187.7.3	Audit Quality Review Report for the 1st, 2nd and 3rd Quarters of Year 2021/2022	Adopted the Regulatory Visit Report for 1st Quarter of the year 2020/2021 as submitted.
			187.7.4	Audit Quality Review Programme for the year 2022/2023	APPROVED Audit Quality Review Programme for the year 2022/2023
			187.7.5	Registration of New Members	Approved Registration of 42 Members as submitted
<b>SUBMISSION FROM THE TECHNICAL AND ADVISORY SERVICES COMMITTEE</b>					
187	28th June 2022	Ordinary	187.8.1	Updates on Technical Issues- Second Quarter 2022	Approved Updates on Technical Issues Second Quarter- 2022 as submitted.
			187.8.2	Natural Resources Consultation Paper and the Standard for Extractive Industries	Noted the Natural Resources Consultation Paper and the Standard for Extractive Industries as submitted.
			187.8.3	Proposal on Professional Accounting Personnel Gap in Tanzania	Noted Proposal on Professional Accounting Personnel Gap in Tanzania as submitted

Source: Minutes and meetings of Governing Board for year 2021/22

**d) Committees of the NBAA Governing Board**

The Governing Board functions through six committees namely:

- i. Finance and Human Resources Committee.
- ii. The Technical Services Committee.
- iii. The Education and Publications Committee.
- iv. The Membership, Ethics and Compliance Committee.
- v. The Public Sector Committee.
- vi. The Audit Committee.

Committees of the NBAA Governing Board comprise of members and non-members of the NBAA Governing Board. Committee Members of the NBAA Governing Board who served during the year were appointed by the Governing Board for a period of three years effectively from 09 November 2021 to 08 November 2024 following appointment of the new Governing Board 09 November 2021.

**i. Finance and Human Resources Committee**

The Finance and Human Resources Committee is a policy making Committee of the Board. The Finance and Human Resources Committee may act on behalf of the full Governing Board in matters of urgency, or when a meeting of the full Board is not feasible, the Finance and Human Resources Committee's actions are subject to full Board ratification. The functions of the Finance and Human Resources Committee are to advise, consult with, and make recommendations to the Board concerning matters requested by the Board.

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

The Committee Members were appointed on 09 November 2021. During the year under review Finance and Human Resources committee held two meetings.

**Table 2: Members of the Finance and Human Resources Committee as at 30 June 2022**

No.	Committee Members	Position	Meeting Attendance
1.	CPA Prof. Ganka D. Nyamsogoro	Chairperson	2/2
2.	CPA Rukia J. Adamu	Member	2/2
3.	CPA Francis M. Mwakapatila	Member	1/2
4.	CPA Witness M. Shilekirwa	Member	2/2
5.	CPA Issa M. Iddi	Member	2/2
6.	CPA Pius A. Maneno	Executive Director and Secretary to the Committee	2/2

*Source: Board Chairman appointment letter no CCD.109/273/01/T/18 dated 22 November 2021 and Board members appointment letter no. Na.CJA.55/382/01/TF/ (2)/37-49 dated 06 January 2022 with effect from 19 December 2021.*

During the year under review the Committee discussed and deliberated the following agendas

Meeting Number	Date	Meeting Type	Agenda Number	Agenda	Key Resolutions
1	8 March 2022	Ordinary	1.4.1	Proposed Finance and Human Resource Committee Charter	Approved the Proposed NBAA Finance and Human Resource Committee Charter to be forwarded to the Governing Board for Approval
			1.4.2	Budget Implementation Report for the 2nd Quarter of Year 2021/22	Approved the Budget Implementation Report to be forwarded to the Governing Board for APPROVAL
			1.4.3	Proposed NBAA Recurrent and Capital Budgets for the Financial 2022/2023	Approved the Proposed NBAA Recurrent and Capital Budgets for Financial Year 2022/23 to be forwarded to the Governing Board for Approval
			1.4.4	Procurement Report for the 1st And 2nd Quarters of the Financial Year 2021/ 2022	Approved Procurement Report for the 1st and 2nd Quarters of the financial year 2021/2022 to be forwarded to the Governing Board for Approval
			1.4.5	Proposed Annual Procurement Plan for financial year 2022/2023	Approved the Proposed Annual Procurement plan to be forwarded to the Governing Board for Approval
			1.4.6	Proposed Review of Transport Allowance for Members and Non-Members Attending Board Meetings	Approved the Proposed Review of Transport Allowance as submitted to be forwarded to the Governing Board for Approval

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

Meeting Number	Date	Meeting Type	Agenda Number	Agenda	Key Resolutions
			1.4.7	NBAA and Treasury Registrar's Performance Contract: Fourth Quarter Implementation Status Report (April -June 2020/2021)	Approved the 4th Quarter Implementation Status report for year 2020/2021 to be forwarded to the Governing Board for Approval
			1.4.8	Taarifa Fupi ya Kituo cha Taaluma ya Uhasibu (APC)	Noted the report to be forwarded to the Governing Board for Noting
			1.4.9	Staff Matters	Noted the appointments on Superlative Substantive Posts status, Noted five (05) employees left NBAA from April 2021, five (05) employees joined NBAA from March 2021, and Approved list of NBAA staff to be promoted for the year 2021/2022 to be forwarded to the Governing Board for Noting
2	12nd June 2022	Ordinary	2.4.1	Staff matters	Noted the Staff matters report as submitted including promotion, left and appointment to be forwarded to the Governing Board for Noting
			2.4.2	Budget Implementation Report for the 3rd Quarter of Year 2021/2022	Approved the Budget Implementation Report for the 2nd Quarter of the year 2021/22 as submitted to be forwarded to the Governing Board for Approval
			2.4.3	Reviewed Budget for the Financial year 2021/22	Approved Revised Budget for the Financial Year 2021/22 as submitted to be forwarded to the Governing Board for Approval
			2.4.4	Procurement Report for Third Quarter ended 31st March 2022	Approved the Procurement Report for the 1st and 2nd Quarters of the financial year 2021/22 as submitted to be forwarded to the Governing Board for Approval

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

Meeting Number	Date	Meeting Type	Agenda Number	Agenda	Key Resolutions
			2.4.5	Reviewed Procurement Plan for financial year 2021/22	Approved Annual Procurement Plan Review for the financial year 2021/2022 as submitted to be forwarded to the Governing Board for Approval
			2.4.6	APC Progress Report	Noted the APC Business Performance Report from 1st July, 2021 to 31st March 2022 to be forwarded to the Governing Board for Noting
			2.4.7	NBAA/PSSSF Conversion of Equity to Loan	Approved the Proposal for Conversion of PSSSF Joint Equity Capital into Preference Shares to be forwarded to the Governing Board for Approval
			2.4.8	TR Contract Implementation Report June 2022	Approved NBAA and Treasury Registrar's Performance Contract as submitted to be forwarded to the Governing Board for Approval
			2.4.9	Proposed Construction of NBAA Dodoma Offices	Noted the Report update on the Construction of Dodoma Mhasibu House to be forwarded to the Governing Board for Approval
			2.4.10	Proposed Code of Ethics and Conduct for NBAA Governing Board	Approved Proposed Code of Ethics and Conduct for NBAA Governing Board Contract as submitted to be forwarded to the Governing Board for Approval
			2.4.11	NBAA 50 Years Anniversary 2022	Approved NBAA 50 Years Anniversary plan/programme to be forwarded to the Governing Board for Approval

Source: Minutes of the Board of Directors of 2021/22

**ii. Technical Services Committee**

The Technical Services Committee deals with all matters pertaining to the following issues:

- a) Issuance of technical statements and standards for both the private as well as the public sector in accounting, auditing and allied subjects;

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

- b) Review of the impact of existing or proposed legislature and government directives on financial reporting and on the profession generally;
- c) Reacting to the exposure drafts of International Accounting Standards Board (IASB), International Federation of Accountants (IFAC) and other related accounting and auditing bodies;
- d) Assist the government in promoting greater transparency and improved governance by improving on its financial reporting systems;
- e) Liaise with other regulatory agencies with the view of establishing specific financial reporting requirements, if any;
- f) Assist members with any professional technical issues including the correct interpretation of both the Board's and International accounting/auditing standards to facilitate the exercise of compliance;
- g) Undertake studies and researches on new technical issues relevant for the development of the profession in Tanzania;
- h) Undertake studies on monitoring of compliance with issued standards; and
- i) Any other issues as may be directed by the Governing Board.

During the year under review Technical Services Committee held two meetings.

The Committee Members were appointed on 09 November 2021, and include two co-opted members, Tanzanians, who are appointed by the Governing Board.

**Table 3: Members of the Technical Services Committee as at 30 June 2022**

No.	Committee member	Position	Meeting Attendance
1.	CPA Witness M. Shilekirwa	Chairperson	2/2
2.	CPA Paul R .Bilabaye	Member	2/2
3.	CPA Dr. Neema K. Mssusa	Member	2/2
4.	CPA Salhina M. Mkumba	Member	2/2
5.	CPA Wilson A. Ngao	Member	1/2
6.	CPA Pius A. Maneno	Executive Director and Secretary to the Committee	2/2

*Source: Board Chairman appointment letter no CCD.109/273/01/T/18 dated 22November 2021 and Board members appointment letter no. Na.CJA.55/382/01/TF/ (2)/37-49 dated 06 January 2022 with effect from 19 December 2021.*

During the year under review the Committee discussed and deliberated the following agendas

Meeting Number	Date	Meeting Type	Agenda Number	Agenda	Key Resolutions
62	9 March 2022	Ordinary	62.1	Proposed Technical Services Committee Charter	Approved the Technical Services Committee Charter as submitted to be forwarded to the Governing Board for Approval
			62.2	Updates on Technical Issues- First Quarter 2022	Approved the Updates on Technical Issues- First Quarter 2022 to be forwarded to the Governing Board for Approval
			62.3	TFRS 1: Disclosure Checklist	Approved the TFRS 1: Disclosure Checklist to be forwarded to the Governing Board for Approval
			62.4	Status on OCAM and NBAA Accrual based IPSAS project in Mozambique	Noted the Status report on OCAM and NBAA - Accrual Based IPSAS Project as submitted to be forwarded to the Governing Board for Noting

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

Meeting Number	Date	Meeting Type	Agenda Number	Agenda	Key Resolutions
63	6 June 2022	Ordinary	63.1	Updates on Technical Issues- Second Quarter 2022	Approved Updates on Technical Issues Second Quarter- 2022 as submitted to be forwarded to the Governing Board for Approval
			63.2	Natural Resources Consultation Paper and the Standard for Extractive Industries	Noted the Natural Resources Consultation Paper and the Standard for Extractive Industries as submitted to be forwarded to the Governing Board for Noting
			63.3	Proposal on Professional Accounting Personnel Gap in Tanzania	Noted Proposal on Professional Accounting Personnel Gap in Tanzania as submitted to be forwarded to the Governing Board for Noting

Source: Minutes of Technical Services Committee for year 2021/22

**iii. Education and Publications Committee**

The Committee deals with matters pertaining to the following:

- a) Candidacy registration and examination entry;
- b) Stipulate minimum entry requirements to the NBAA's examinations;
- c) Review fees related to examination activities, Review honorarium fees relating to examination activities;
- d) Review the examination by-laws and regulations, procedures and guidelines from time to time as appropriate; and
- e) Deal with disciplinary matters on issues relating with examination misconduct by candidates, invigilators or NBAA secretariat involved with examination issues.

During the year under review Education and Publications Committee held two meetings.

The Committee Members were appointed on 09 November 2021, and include two co-opted members, Tanzanians, who are appointed by the Governing Board.

**Table 4: Members of the Education and Publications Committee as at 30 June 2022**

No.	Committee member	Position	Meetings Attendance
1.	CPA Prof. Ganka D. Nyamsogoro	Chairperson	2/2
2.	CPA Rukia H. Abdulla	Member	2/2
3.	CPA Issa M. Iddi	Member	2/2
4.	Dr Marcelina A. Baitilwake	Member	2/2
5.	Dr. Shufaa A. Albeity	Member	2/2
6.	CPA Pius A. Maneno	Executive Director and Secretary to the Committee	2/2

Source: Board Chairman appointment letter no CCD.109/273/01/T/18 dated 22November 2021 and Board members appointment letter no. Na.CJA.55/382/01/TF/ (2)/37-49 dated 06 January 2022 with effect from 19 December 2021

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

During the year under review the Committee discussed and deliberated the following agenda

Meeting Number	Date	Meeting Type	Agenda Number	Agenda	Key Resolutions
99	14 March 2022	Ordinary	99.1	Proposed Education and Publication's Committee Charter	Approved Education and Publications Charter as submitted to be forwarded to the Governing Board for Approval
			99.2	Institutional Visits Report December 2021 - March 2022	Noted the Institutional Regulatory Visits January - March 2022 as submitted to be forwarded to the Governing Board for Noting
			99.3	Revised Examination and Training By-laws 2022	Approved the bylaws to be forwarded to Ministry of Finance and Planning for further processes to be forwarded to the Governing Board for Approval
			99.4	Vetting of the Examination Results of the 11th Intake Diploma in IPSAS Examinations - February 2022	Approved 64 candidates who qualified for the award of letters of success and Diploma in IPSAS to be awarded during the next NBAA Graduation Ceremony to be forwarded to the Governing Board for Approval
			99.5	Highlights of the Results of the 11th Intake Diploma in IPSAS Examinations - February 2022	Approved 64 candidates who qualified for the award of letters of success and Diploma in IPSAS to be awarded during the next NBAA Graduation Ceremony to be forwarded to the Governing Board for Approval
			99.6	Results' Booklets of the 11 <sup>th</sup> Intake Diploma in IPSAS Examinations - February, 2022	Approved 64 candidates who qualified for the award of letters of success and Diploma in IPSAS to be awarded during the next NBAA Graduation Ceremony to be forwarded to the Governing Board for Approval
			99.7	Examiners' Report of the 11th Intake Diploma in IPSAS Examinations - February 2022	Approved Seventy-one (71) candidates who qualified for success letter and CPA (T) Certificates and four (4) candidates who cleared the subjects with local contents to be forwarded to the Governing Board for Approval
			99.8	List of Candidates Qualifying for the award of Diploma in IPSAs -February 2022	Approved Seventy-one (71) candidates who qualified for success letter and CPA (T) Certificates and four (4) candidates who cleared the subjects with local contents to be forwarded to the Governing Board for Approval

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

Meeting Number	Date	Meeting Type	Agenda Number	Agenda	Key Resolutions
			99.9	Vetting of the Examination Results of the 13th Mid-session Examinations - February 2022	Approved Seventy-one (71) candidates who qualified for success letter and CPA (T) Certificates and four (4) candidates who cleared the subjects with local contents to be forwarded to the Governing Board for Approval
			99.10	Highlights of the Results of the 13th Mid-session Examinations - February 2022	Approved Seventy-one (71) candidates who qualified for success letter and CPA (T) Certificates and four (4) candidates who cleared the subjects with local contents to be forwarded to the Governing Board for Approval
			99.11	Results' Booklets of the 13th Mid-session Examinations - February 2022	Approved Seventy-one (71) candidates who qualified for success letter and CPA (T) Certificates and four (4) candidates who cleared the subjects with local contents to be forwarded to the Governing Board for Approval
			99.12	Examiners' Report of the 13 <sup>th</sup> Mid-session Examinations - February 2022	Approved Seventy-one (71) candidates who qualified for success letter and CPA (T) Certificates and four (4) candidates who cleared the subjects with local contents to be forwarded to the Governing Board for Approval
			99.13	List of Candidates Qualifying for the CPA (T) Equivalent Certificate - February 2022	Approved Seventy-one (71) candidates who qualified for success letter and CPA (T) Certificates and four (4) candidates who cleared the subjects with local contents to be forwarded to the Governing Board for Approval
			99.14	List of Candidates Qualifying for the CPA (T) Certificate - February 2022	Approved Seventy-one (71) candidates who qualified for success letter and CPA (T) Certificates and four (4) candidates who cleared the subjects with local contents to be forwarded to the Governing Board for Approval
100	19th June 2022	Ordinary	100.1	Inclusion of one candidate in the February 2022 CPA(T) List	Approved the Inclusion of one candidate in the February 2022 CPA (T) List as submitted to be forwarded to the Governing Board for Approval

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

Meeting Number	Date	Meeting Type	Agenda Number	Agenda	Key Resolutions
			100.2	African Professionalization Initiative (API) Competence Framework	Management to identify which lacks in CPA and is available in the API, API should not have same value with Post graduate Diploma as will undermine the CPA and Management to prepare a full-fledged paper and re submit to the Board for further discussion
			100.3	Vetting of the Results of the 95th Board's Examinations - May 2022	The 46 candidates who have passed the Accounting Technician Level II examinations be awarded the Certificate of Completion of the Accounting Technician examinations on graduation day, The 386 candidates, who have passed cleared their CPA (T) examination papers, be awarded the Certificate of Completion of the CERTIFIED PUBLIC ACCOUNTANT - CPA (T) examinations on the graduation day , The 17 candidates with foreign CPA qualifications, be awarded letters and certificates of eligibility to register as CPA (T) equivalent to be forwarded to the Governing Board for Approval
			100.4	Highlights of the Results the 95th Board's Examinations May 2022	Noted the Highlights to be forwarded to the Governing Board for Noting
			100.5	Examiners' Report the Results the 95th Board's Examinations May 2022	Noted the examiner's report to be forwarded to the Governing Board for Noting
			100.6	List of Candidates Qualifying for Accounting Technician Certificate - May 2022	Approved the lists as submitted to be forwarded to the Governing Board for Approval
			100.7	List of Candidates Qualifying for CPA (T) Certificate May 2022	Approved the lists as submitted to be forwarded to the Governing Board for Approval

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

Meeting Number	Date	Meeting Type	Agenda Number	Agenda	Key Resolutions
			100.8	List of Candidates Qualifying for CPA (T) Equivalent Certificate - May 2022	Approved the lists as submitted to be forwarded to the Governing Board for Approval
			100.9	List of Candidates Qualifying for Awards - May 2022	Approved the lists as submitted to be forwarded to the Governing Board for Approval

*Source: Minutes of Education and Publications Committee for year 2021/22*

**iv. Membership, Ethics and Compliance Committee**

The Membership, Ethics and Compliance Committee deals with all matters pertaining to the following issues:

- a) Receive, consider and decide upon applications for registration of Practicing Accountants, Accounting Technicians and Practicing Firms;
- b) Determination of registration, subscription and practicing fees; and
- c) Critically review the relevance of CPE proposed by the Secretariat and recommends the same to the Governing Board for approval;
- d) Evaluate the quality of CPE learning materials and learning resources for the NBAA's CPE Programme; keep a register of resource persons and participants, and follow-up compliance with CPE requirements as enshrined in the IFAC's Statement of Member's Obligations (SMOs);
- e) Responsible for the management and supervision of the Board's Audit Quality Review Scheme;
- f) Monitor members and firms to ensure compliance with standards, profession Code of Conduct and ethics;
- g) Critically review the regulatory reports and come up with recommendations on the way forward;
- h) Set up the criteria for conducting investigation process for noncompliance;
- i) Oversee any investigation of activities which are within its terms of reference;
- j) Recommend sanctions and disciplinary actions against defaulters to the Governing Board as provided for in the NBAA establishing law;
- k) Review from time to time the relevance and appropriateness of provisions of the NBAA Membership and Practicing By-Laws in response to developments in the profession and demands in the global markets;
- l) Develop a set of high quality, understandable and enforceable rules;
- m) Collaborate with all the regulatory bodies on the issues of compliance;
- n) Create linkages with other affiliate professional associations; and
- o) Promote and organize member's social functions.

During the year under review the Membership, Ethics and Compliance Committee held two meetings.

The Committee Members were appointed on 09 November 2021, and include two co-opted members, Tanzanians, who are appointed by the Governing Board.

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

**Table 5: Members of the Membership, Ethics and Compliance Committee as at 30 June 2022**

No.	Committee Member	Position	Meetings Attendance
1.	CPA Rukia J. Adamu	Chairperson	2/2
2.	CPA Adv Fredrick B. Msumali	Member	1/2
3.	CPA Dyoya G. Dyoya	Member	2/2
4.	CPA Oswald M Urassa	Member: Certified Public Accountant	2/2
5.	CPA Leticia M. Nchwali	Member Qualification: Certified Public Accountant	2/2
6.	CPA Pius A. Maneno	Executive Director and Secretary to the Committee	2/2

*Source: Board Chairman appointment letter no CCD.109/273/01/T/18 dated 22 November 2021 and Board members appointment letter no. Na.CJA.55/382/01/TF/ (2)/37-49 dated 06 January 2022 with effect from 19 December 2021.*

During the year under review the Committee discussed and deliberated the following agendas

Meeting Number	Date	Meeting Type	Agenda Number	Agenda	Key Resolutions
116	16 March 2022	Ordinary	116.1	Draft Membership, Ethics and Compliance Committee Charter	Approved Membership, Ethics and Compliance Committee Charter as submitted to be forwarded to the Governing Board for Approval
			116.1	Registration of New Members	Approved the request for registration of 27 new Members as submitted to be forwarded to the Governing Board for Approval
			116.1	Draft - The Accountants and Auditors (Registration) and (Practicing) By-laws -2022	Recommended them to be forwarded to the Ministry of Finance and Planning for further action to be forwarded to the Governing Board for Approval
117	14 June 2022	Ordinary	117.1	Regulatory Visits Report for the 1st, 2nd and 3rd Quarters of Year 2021/2022	Adopted Regulatory Visit Report for the 1st, 2nd and 3rd Quarters of Year 2021 -2022 as submitted to be forwarded to the Governing Board for Adoption
			117.1	Regulatory Visits Report Programme for the Year 2022/2023	Adopted the Regulatory Visits Programme for the Year 2022/2023 as submitted to be forwarded to the Governing Board for Adoption
			117.1	Audit Quality Review Report for the 1st, 2nd and 3rd Quarters of Year 2021/2022	Adopted the Regulatory Visit Report for 1st Quarter of the year 2020/2021 as submitted to be forwarded to the Governing Board for Adoption

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

Meeting Number	Date	Meeting Type	Agenda Number	Agenda	Key Resolutions
			117.1	Audit Quality Review Programme for the year 2022/2023	Approved Audit Quality Review Programme for the year 2022/2023 to be forwarded to the Governing Board for Approval
			117.1	Registration of New Members	Approved Registration of 42 Members as submitted to be forwarded to the Governing Board for Approval

*Source: Minutes of meetings of Membership, Ethics and Compliance Committee for year 2021/22*

**v. Public Sector Committee**

The Public Sector Committee deals with all matters pertaining to the following:

- a) All legal and fiscal matters affecting the profession;
- b) Review and submit the accountants' profession pre-budget proposals to the Government;
- c) Review post budget critiques and make appropriate recommendations to the Governing Board;
- d) Work closely with the Government (both central and local) in improving its financial reporting systems with the view of enhancing transparency, accountability, integrity of government operations leading to improved governance;
- e) Work closely with the government on the issue of reviewing outdated legislations on financial reporting and streamline the country's commercial laws;
- f) Bring awareness of the public in regard to its right to access to public financial reports and information; and
- g) Advise the government on issues relating to good governance in order to improve efficiency in the public sector operations.

During the year under review the Public Sector Committee held one meeting.

The Committee Members were appointed on 09 November 2021, and include two co-opted members, Tanzanians, who are appointed by the Governing Board.

**Table 6: Members of the Public Sector Committee as at 30 June 2022**

No.	Committee Member	Position	Member Attendance
1.	CPA Francis M. Mwakapalila	Chairperson	1/1
2.	CPA John F Ndetico	Member	1/1
3.	CPA Aisha R Kapande	Member	1/1
4.	CPA Adv Nicholas M.F Duhia	Member	1/1
5.	CPA Nicodemus D Mkama	Member	1/1
6.	CPA Pius A. Maneno	Executive Director and Secretary to the Committee	1/1

*Source: Board Chairman appointment letter no CCD.109/273/01/T/18 dated 22 November 2021 and Board members appointment letter no. Na.CJA.55/382/01/TF/ (2)/37-49 dated 06 January 2022 with effect from 19 December 2021.*

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

During the year under review the Committee discussed and deliberated the following agendas

Meeting Number	Date	Meeting Type	Agenda Number	Agenda	Key Resolutions
26	7 March 2022	Ordinary	26.1	Proposed Charter of Public Sector Committee	Approved the Charter of the Public Sector Committee as submitted to be forwarded to the Governing Board for Approval
			26.1	The Accountancy Profession Preproposal Budget for the year 2022/23 Government Budget	Approved the Accountancy Profession Pre - Budget Proposals as submitted to be forwarded to the Governing Board for Approval

Source: Minutes of meetings of Public Sector Committee for year 2021/22

**vi. Audit Committee**

The overall objective of the Board's Audit Committee is to ensure that the NBAA is creating and maintaining effective control systems within the Board and that management demonstrates and stimulates the necessary respect of the internal control structure amongst all parties.

The Committee is also to ensure that the Board's Audit Committee members, as well as the internal and external auditors work closely and have unlimited access to whatever information they require in performing their duties. The Audit Committee is also responsible for ensuring that both the internal and external auditors are independent.

During the year under review the Audit Sector Committee held three meetings.

The Committee Members were appointed on 09 November 2021, and include one co-opted member, Tanzanian, who is appointed by the Governing Board.

**Table 7: Members of the Audit Committee as at 30 June 2022**

No.	Committee member	Position	Member Attendance
1.	CPA Paul R Bilabay	Chairperson	2/2
2.	CPA Rukia H Abdulla	Member	2/2
3.	CPA John F Ndetico	Member	2/2
4.	CPA Adv Fredrick B Msumali	Member	2/2
5.	Advocate Agnes A. Kessy	Secretary Qualifications: LLB (UJSM), MBA and Post graduate diploma in legal practices.	2/2

Source: Board Chairman appointment letter no CCD.109/273/01/T/18 dated 22 November 2021 and Board members appointment letter no. Na.CJA.55/382/01/TF/ (2)/37-49 dated 06 January 2022 with effect from 19 December 2021.

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

During the year under review the Committee discussed and deliberated the following agendas

Meeting Number	Date	Meeting Type	Agenda Number	Agenda	Key Resolutions
40	15 March 2022	Ordinary	40.4.1	Proposed Audit Committee Charter	Approved the Proposed NBAA Audit Committee Charter as submitted to be forwarded to the Governing Board for Approval
			40.4.2	Internal Audit Report for Quarters I and II of the Financial Year 2021/2022	Approved the Internal Audit Report for Quarters I and II as submitted and directed management to ensure that the findings are implemented as stated in responses to be forwarded to the Governing Board for Adoption
41	13 June 2022	Ordinary	40.4.1	Internal Audit Report for Quarter III of Financial Year 2021/2022	Noted the Internal Audit Report for Quarter III of the Financial Year 2021/2022 to be forwarded to the Governing Board for Noting
			40.4.2	Proposed Internal Audit Plan 2022/2023	Adopted the Internal Audit Plan for the Financial Year 2022/2023 as submitted to be forwarded to the Governing Board for Adoption
			40.4.3	Follow up on External Auditors Recommendations for Financial Year 2021/2022	Noted Implementation of Management Letter for the year 2020/2021 as submitted to be forwarded to the Governing Board for Noting

*Source: Minutes of meetings of Audit Committee for year 2021/22*

#### 2.14 MANAGEMENT

Management of the NBAA under the leadership of the Executive Director is organized in four-line Departments as follows:

- The Corporate Services Department.
- The Education and Training Services Department.
- The Members Services Department.
- The Technical and Advisory Services Department.

There are three staff functions under the Executive Director's Office as follows:

- Internal Audit Unit.
- Legal Unit.
- Procurement Management Unit.

## 2.15 EVENTS AFTER THE REPORTING PERIOD

Subsequent after year end i.e., on 15 June 2022, The Governing Board nominated additional ICT Expert Mr Benjamin Mkwizu (PWC Associate Director, Assurance) to be a member of Audit Committee and the first meeting will be First Quarter of 2022/2023 to be held in mid of September 2022.

Also, on 27 July 2022, The Government revoke ownership of Plot number 1191 and 1192 Block AA Chinyonyo Dodoma from NBAA for public interest (Standard Gauge Railway (SGR) Construction). The government through City Council reallocate NBAA other plots 40 and 41 Block D Mbuyuni Kizota Dodoma through letter number HJD/L.20/1/4 dated 12 August 2022 at a cost of TZS 386,000,000. However as at the date of this report title deed to the new plot had not been provided.

There were no material events, adjusting or non-adjusting that had occurred after the reporting date and thus requiring adjustment or disclosure in the financial statements.

## 2.16 SOLVENCY

The Governing Board confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Governing Board has reasonable expectation that NBAA has adequate resources to continue in operational existence for the foreseeable future.

## 2.17 CAPITAL MAINTENANCE

The capital of the NBAA includes development fund, revolving fund, reserves and retained surplus. The NBAA complied with all requirements relating to maintenance of capital. Capital is maintained through national budget allocation to the NBAA through the Ministry of Finance and Planning.

	2022	2021
Description	TZS '000	TZS '000
Special reserve	1,953,748	1,827,001
Contribution from the Government	6,568,922	6,568,922
Accumulated surplus	14,931,630	14,030,453
	23,454,300	22,426,376

## 2.18 FINANCIAL RESULTS FOR THE YEAR 2021/2022

### I. Financial performance

#### a) Revenue from exchange transactions

Revenue from exchange transactions has increased by 108.20% from TZS 244.3 million in the year 2020/21 to TZS 508 million in the year ended 30 June 2022. The increase was attributed by the increase in revenues generated from consultancy as the result of increase in number and values of consultancy services obtained during the year under review.

#### b) Revenue from non-exchange transactions

Revenue from non-exchange transaction has decreased by 35.36% from TZS 23.61 billion in the year 2020/21 to TZS 15.27 billion in the year ended 30 June 2022. The decrease is the result of

the valuation of lands in year 2020/21 amounting to TZS 9.29 billion for Dodoma granted by the government as well as land for the Mhasibu House which was not valued when it was donated by the government and no land was received and valued during the year under review.

**c) Employment costs**

Employment costs have increased by 2.24% from TZS 4.47 billion (2020/21) to TZS 4.57 billion in the year under review. This is primarily attributed by increase in salaries and wages and other related staff costs during the year under review as a result of review of the promotion to some staff.

**d) Operating expenses**

Operating expenses have increased by 7.28 % from TZS 4.85 billion reported in 2020/21 to TZS 5.16 billion in 2022. The increase was attributed by the increase in cost incurred in consultancy as the result of increase in number and values of consultancy services and increase in hall hiring costs as the result of increase in number of seminar and workshop participants during the year under review.

**e) Administrative expenses**

Administrative expenses have increased by 37.19 % from TZS 2.51 billion (2020/21) to TZS 3.44 billion in the year under review. This has primarily been attributed by the increase in costs for improving and developing policies and ICT systems particularly the exercise of data entry in the MEMS, Increase in Special tasks including preparation of strategic plan and preparation of various documents after review of the NBAA Establishment Act. Also, there increase in cost of governing Board due to the cost incurred during inauguration of the new Board and purchase of working tools. Furthermore, in the year under review the Board disbursed TZS 100 million (2020/2021: 100 million) to Treasury Registrar as contribution to the consolidated fund.

**f) Finance costs**

Finance costs have increased to TZS 1.18 million (2020/21: TZS 1.15 billion). The decrease is mainly attributed by rescheduling of the NSSF loan by reducing interest rate from 15% to 5% and extending repayment period to 20 years.

**g) Depreciation**

Depreciation expenses have decreased by 2% from TZS 347 million to TZS 340 million in the year under review. The decrease is primary attributed by decrease of depreciation as the result of assets useful life review by increasing the number of years in using various assets.

**II. Financial position**

**a) Cash and cash equivalents**

Cash and cash equivalents stood at TZS 1,126.97 million as at 30 June 2022 compared to a position of TZS 334.39 million as at 30 June 2021. More cash was held as a result of decrease in loan repayment made towards year end from TZS 2.082 billion to TZS 1.737 billion and decrease in

number of staffs who borrow from the staff housing loan revolving fund. The movement of cash and cash equivalent is demonstrated on the Statement of Cash Flows for the year ended 30 June 2022.

**b) Receivables from exchange transactions**

Receivables from Exchange transactions decreased by 1.67% from TZS 2.02 billion as at 30 June 2021 to TZS 2.00 billion as at 30 June 2022. The decrease is primarily attributed to decrease in staff loan receivable as result of decrease in number of staffs who borrow from the staff housing loan revolving fund.

**c) Loan receivable from APC Investment Centre**

The value of loan receivable balance from APC Investment Centre decreased by 2.95% from TZS 22.27 billion as at 30 June 2021 to TZS 21.37 billion as at 30 June 2022. The decrease was attributed by restructuring of the loan effective from 1 July 2020 that resulted to a waiver and write off of accrued penalties and overstated loan amounting to TZS 4.560 billion.

**d) Inventories**

As of 30 June 2022, inventories stood at TZS 399.86 million which is a decrease of 7.19% from TZS 431.20 million which was reported in 2021. The decrease is primarily attributed by the fact that as at period end the Board decided to reduce purchases of bookshop books and encourage using of electronic learning materials.

**e) Financial assets**

Financial assets have remained with the same i.e., TZS 76.3 million as there was no change in the value of the price per share.

**f) Investment in joint venture**

As at June 2022, net carrying amount of investment in joint venture stood at TZS 7.60 billion compared to TZS 6.98 billion reported in 2021. The increase is a result of the net impact of additional capital of TZS 0.628 billion as the result of NSSF Loan Repayment and PSSSF Equity interest Purchases and share of loss from the joint venture.

**g) Property and equipment**

Property and equipment have increased by 6% from TZS 3.65 billion in 2020/21 to TZS 3.42 billion in the year under review. There were decrease in additions of equipment amounting to TZS 131 million and decrease of depreciation expenses charged during the previous year 2021 and accumulation depreciation after assets useful life review.

**h) Payables from exchange transactions**

As at 30 June 2022, payables from exchange transactions stood at TZS 408.60 million which is a result of increase of 21.43% from TZS 336.36 million which was reported in 2020/21. The Board have little higher outstanding payments compared to prior year specifically in consultancy, utilities and other operational costs.

i) Borrowings

Borrowings represent loan from NSSF which stood at TZS 21.37 billion in 2022 compared to TZS 22.03 billion which was reported in 2021; The decrease is mainly attributed by rescheduling of the NSSF Loan by reducing interest rate from 15% to 5% and extend repayment period to 20 years that resulted to a waiver and write off of accrued penalties.

2.19 KEY ACHIEVEMENTS DURING THE YEAR

The NBAA is currently implementing its strategic plan for the period covering 2021/22 - 2025/26. This is a rolling plan which at every year-end is reviewed and updated to ensure that it is still appropriate and valid for the NBAA to achieve its mission. The NBAA's strategic plan for 2021/22 to 2025/26 which came into operation with effect from 1 July 2021 focus on achieving five objectives as follows:

- HIV/AIDS infections and non - communicable diseases reduced, and supportive services improved;
- Implementation of National Anti-Corruption Strategy enhanced, and corruption incidences reduced;
- Accountancy Profession improved and sustained;
- Governance and operations of the Board improved and sustained;
- Stakeholders' involvement and communication improved;
- Financial management improved and sustained.

Table 8: Achievements of the NBAA for the year under review

No.	Performance Indicator	Target / Plan		Actual / Achievement	
		2022	2021	2022	2021
1	Administer two examinations per annum: NBAA successfully administered three examinations; one in November 2021 and another examination session in May 2022.	2	2	2	3
2	Successfully administered two mid-Session examinations for accountants who possess foreign qualifications. Examinations are conducted in August 2021 and February 2022	2	2	2	2
3	Conduct IPSASs Diploma Course: NBAA planned to conduct two IPSAs diploma courses, but Board managed to conduct one IPSASs Diploma Course during the year under review. One session was not achieved due to suspension of public gathering following COVID 19.	2	2	2	1
4	The Board planned to conduct quality assurance regulatory visit to 15 Tuition Providers visited	15	15	14	13
5	Issue 2 Publications of the Accountants Magazine: Two issues of 'The Accountant' Magazine were planned and two published during the year under review.	2	2	2	2
6	Issue 2 Publications of the Accountants Journal: Two issues of 'The Accountant' Journal were planned and 2 published during the year under review.	2	2	2	2

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

No.	Performance Indicator	Target / Plan		Actual / Achievement	
		2022	2021	2022	2021
7	Conduct 25 Seminars per annum:  NBAA conducted 24 seminars/webinar during the year under review of which some were conducted jointly with other institutions such as Bank of Tanzania, and Tanzania Revenue Authority (TRA).	25	17	24	23
8.	Implement IFAC`s 7 Statement of Membership Obligations:  NBAA geared itself towards implementation of the IFAC`s 7 Statement of Membership Obligations during the year under review.	1	1	1	1
9.	Conduct Audit Quality Review (AQR) workshop for all small and medium auditing firms:  NBAA conducted two workshops on Audit quality Review for small and medium audit firms in the country.	2	2	2	2
10	Conduct Audit Quality Review (AQR) for all auditing firms under circle of three years: NBAA planned to conduct Audit Quality Review to 70 firms within a year under circle of three years and 51 firms visited. The unvisited firms were caused by COVID 19 restrictions whereby scheduled firms were working remotely from home.	70	70	51	51
11	Conduct 06 Workshops per annum:  NBAA conducted 6 workshops during the year under review	6	5	6	5
12	The Board planned to conduct ten (10) professional Advisory programmes (Consultancy) to various stakeholders as per demand	12	10	10	10
13	Organize and submit a pre-budget proposal to the Government through Minister for Finance:  The NBAA through its Public-Sector committee continued to contribute to the national budget by submitting its pre-budget proposals to the Minister for Finance as an input to the country's fiscal and monetary plans. The proposal for year 2022/23 had recommendations on Withholding Taxes, Value Added Tax, flaws in the Income Tax Act 2004, multiplicity of taxes and other non-taxes issues.	1	1	1	1
	During the year under review the Board planned and manage to service NSSF Loan by paying TZS 1,737,188,000	1	1	1	1
	During the year under review the Board planned and manage to service NSS Loan by paying TZS 677,625,000	1		1	
	During the year under review the Board planned and managed to improve and integrate different systems like MEMS, ERMS, e-office corporate website and GEPG to facilitate smoothly operation	95%	90%	95%	90%
	During the year under review the Board continued with the review of the Accountant and Auditors (Registration) Act CAP 286	100%	99%	100%	99%

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

---

No.	Performance Indicator	Target / Plan		Actual / Achievement	
		2022	2021	2022	2021
	The NBAA Amended Act was assented by Her Excellency Samia Suluhu Hassan (SSH) on 28th September 2021 and is now in operation				

*Source: NBAA performance contract with the Treasury Register for the year ended June 2022*

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

**2.20 ENTITY OPERATING MODEL**

Summarized below is the entity operating model.

Value we create:	OUR CAPITALS	PROCESS	OUTPUTS	OUTCOME
        	<p>Note 11 of the Report by Those Charged with Governance (Resources):</p> <p>a) Financial resources / capital</p> <p>b) Manufactured resources / capital</p> <p>c) Human resources / capital</p> <p>d) Social and relationship resources / capital</p> <p>e) Natural resources / capital</p>	<p>Note 6 of the Report by Those Charged with Governance (Principal Activities):</p> <p>a) Conducting examinations and issuing publications.</p> <p>b) Registration of members and professional firms.</p> <p>c) Regulation of the Accountancy Profession.</p> <p>d) Conducting of Continuing Professional Education (CPE) Programmes; and</p> <p>e) Formulating the appropriate National Accountancy Scheme and Syllabi.</p>	<p>Note 19 of the Report by Those Charged with Governance (Key Achievements During the Years):</p> <p>a) <b>Code of Ethics, Technical Issues and Professional Standards:</b> These standards guide the behaviour and practice of members on the performance of their duties and reporting requirements.</p> <p>b) <b>Members: Registered Accountants and Auditors; and Registered Audit/Accountancy Firms</b> Members are expected to offer approved services only.</p> <p>c) <b>Professional Examinations:</b> CPA and IPSAS examination offered to members.</p> <p>d) <b>Accounting Advice to the Government:</b> Advice on various issues on accounting, auditing, tax and related matters.</p> <p>e) <b>Continuing Professional Education:</b> Members are provided with updated impacting the accountancy profession.</p> <p>f) <b>Training:</b> Training to members and general public on accounting and related areas.</p> <p>g) <b>Research and Advisory:</b> NBAA provide a range of research and advisory services on applications of the standards, cash flow and wealth management. NBAA also offers Employment Bureau Services.</p> <p>h) <b>Publications:</b> NBAA issues Journals and Accountant Magazine to inform the public about current issues from the accountancy profession.</p>	<p>Note 11 of the Report by Those Charged with Governance (Relationship with Stakeholders):</p> <p>a) <b>Ministry of Finance and Planning:</b> Continuous engagement to ensure full disclosure and open communication so as to inform their investment decisions.</p> <p>b) <b>Regional and International Accountancy:</b> Continuous NBAA seminar, training and workshop to the auditors and accountants for capacity building and knowledge sharing.</p> <p>c) <b>Regulators:</b> The Board collaborates with other regulators; has been taking measure to the accountants and auditor who do not comply to the ethics of auditing and accounting; and conducting workshops and seminar training for capacity building and knowledge sharing.</p> <p>d) <b>General public:</b> Developing innovative solutions that meet our customers' specific needs.</p> <p>e) <b>Employees:</b> Rewarding staff for the value they add; developing our staff to further their careers and studies; Transforming into an inclusive society through gender equality; and motivating and energising our workforce.</p> <p>f) <b>Students/Members:</b> Availability of Continuous professional development; Provision of Technical and non-technical training; Timely delivery of professional support; Enhanced Information and Communication Technology; and Availability of comprehensive and quality control procedures for examination conducted.</p>

### 2.21 LEGAL AND REGULATORY REQUIREMENTS

The NBAA is a regulatory body for the accountancy profession in Tanzania. The NBAA reports to the Ministry of Finance and Planning and is required to comply with the Government procedures and laws of the land. The regulatory functions of the NBAA are guided by the establishing Act (The Accountants and Auditors (Registration) Act CAP 286 and its bylaws. During the year under review, the NBAA complied with all the applicable laws.

### 2.22 ENVIRONMENTAL CONTROL PROGRAM

The NBAA monitors the impact of its operations on the environment, which is mainly through the use of power, water and the generation of waste. The NBAA minimizes its impact through the better use of its premises and inbuilt facilities to ensure that there is proper waste management.

### 2.23 PRINCIPAL RISKS AND UNCERTAINTIES

The Governing Board accepts final responsibility for the risk management and internal control systems of the NBAA. It is the task of management to ensure that adequate internal control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the NBAA's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures

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

Risk categories		Risk title	Mitigation
<b>Strategic</b>	These are risks to the Board's direction and existence. These risks can impact the attainment of the Board's long-term objectives or sustainability targets and threatens its existence. These include issues such as funding availability, political risks, legal and regulatory changes, reputation and changes in the physical environment.	Unethical, fraud and corruption incidences, Examination leakage, Registration of unqualified candidate(s) into examinations, Registration of unqualified members, Incorrect conclusion on performance of audit firm, Irrelevant topic during CPD presentation, Decrease of seminar participant, Members breach professional code of ethics, Presence of unqualified accountant/Auditors providing accounting/Auditing services, Wrong research Recommendations, Possibility of natural/man made calamities outbreak to NBAA Offices, Ineffective security on data and information, Failure to advice Management and Governing Board on different matters pertain to the achievement of board objectives.	Continue timely monitoring and evaluation of accountants and auditors on their practice, Continue to take disciplinary measure against unethical members, ensure approval of the funds before project commencement, conduct virtual meetings, provide awareness on legal issues, Real time Offsite Backup, Installation of fire-rated doors at the server room, undergo regular training on cyber security and provision of awareness on ICT Policy, installing genuine software, updates/patches and strong antivirus software, Implementation of recommendations onto penetration test report, using very strong firewall and provide awareness on Budget Act 2015 staff.
<b>Legal and Compliance</b>	These concern issues of compliance with laws, regulations, guidelines, circulars and regulatory requirements applicable to daily conduct of the Board's operations. It also concerns inadequate legal frameworks and litigation issues.	Non-compliance to procurement legislations/processes, Noncompliance with report requirements and other Government Directives,	Provide awareness on legal issues and capacity building to staff (training).

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

Risk categories		Risk title	Mitigation
<b>Operational</b>	These concerns day-to-day issues that the Board could be confronted with as it strives to deliver its strategic objectives. Risks at this level relate to systems, resources and processes and include events such power failures and competitive technology, system malfunction or loss of key staff, exams leakage.	Failure to develop and implement behaviour change towards non-communicable disease and HIV AIDS, Possibility of having outdated materials in bookshop, Errors in the examination papers, Damage or loss of examination question paper or answer scripts, Declaration of wrong examination results, Errors in the examination papers, Unregistered person attempting examination on behalf of a registered candidate, out dated books in library, Data loss due to inefficient records management, Failure to complete Audit Quality Review cycle, Data loss of the Researched assignment, Provision of misleading technical pronouncements and advices, Employees perform less than expectation,	Provide protective gears, provide awareness programs and other initiatives to all staff, Update examination control guideline regularly, Examination paper storage to be more secured, vetting of all examiners, Board examination syllabus needs to be reviewed regularly, capacity building to staff, recruit additional staff and provide awareness on legal issues,
<b>Financial and Fraud</b>	These concerns fraudulent practice such as possible misappropriation of assets, corruption and misconduct and financial viability and stability of the Board. The Board maintain its long-term and overall financial stability with zero tolerance on fraud.	Decrease in demand of advisory services	Develop and enforce Ethics and Code of conduct Policy and Communicate and enforce whistle blowing policy

The Board adopted and follow risk management procedures detailed in the risk management framework. Risk management processes are embedded into the Board's management systems, processes, operations and structures. Also, the Board regularly review and monitor the adequacy and effectiveness of risk management function and processes.

**2.24 FUTURE DEVELOPMENT PLANS**

In the next financial year, the NBAA shall continue to review 24 study kits for its developed syllabi which was tested for the first time in November 2019 and also to alleviate the shortage of reading materials in its curriculum.

The NBAA shall further continue to automate its activities including integrating its information system through networking and enhance its service delivery to its stakeholders.

It is the intention of the NBAA to enhance the number of members on the NBAA’s register by bringing on board those accountancy professionals not yet registered and, in particular encouraging more members of the disadvantaged groups to join the profession.

In addition, the NBAA will continue to re-enforce the mandatory CPE scheme and offer specialized CPE programs to enhance quality of its members' skills. The NBAA will embark on continuous cost-cutting measures to make sure that value for money is achieved in all the NBAA's activities.

Furthermore, the NBAA will continue to engage stakeholders, in order to get funding for strengthening capacity by restructuring its organization; working with Government in streamline legislations concerning financial reporting and auditing in the country; streamline the NBAA's operations and build technical capacity of its staff.

NBAA also will also implement its five-year Strategic Plan for years 2021/22 to 2025/2026 and review its operating students and membership Bylaws following the amendments of the Accountants and Auditors (Registration) Act expected to be finalized in 2022/23.

The board will continue to service NSSF loan used in construction of APC Centre and Purchase of the PSSF equity invested at APC Centre as per agreements. Also, The Board planned to build its new office in Dodoma before June 2026.

**2.25 GENDER PARITY**

The NBAA is equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties.

As at 30 June 2022 and 2021 the NBAA had the following distribution of employees by gender:

Gender	2022		2021	
	No.	Percentage	No.	Percentage
Male	34	57%	35	61%
Female	26	43%	22	39%
<b>Total</b>	<b>60</b>	<b>100%</b>	<b>57</b>	<b>100%</b>

*Source: Personnel record from the human resources unit*

## 2.26 RELATED PARTY TRANSACTIONS AND BALANCES

All related party transactions and balances, including director's emoluments are disclosed in Note 28 of these financial statements.

## 2.27 POLITICAL AND CHARITABLE DONATIONS

During the financial year 2021/22, NBAA did not make any political or charitable donations (2021: None).

## 2.28 ACCOUNTING POLICIES

NBAA being a non-commercial public entity has prepared and presented its financial statements in compliance with IPSAS. The summary of key accounting policies is provided in the Notes to the financial statements. The policies have consistently been applied by the Board throughout the reporting period.

## 2.29 EMPLOYEES WELFARE

### a) Management and employees' relationship

The relationship between the Management and employees was good. There were no unresolved complaints received by Management from the employees during the year.

### b) Training facilities

During the year under review, two members of staff were sponsored for bachelor's degrees; three staff for master's degrees, twenty-five other employees were sponsored for short term training programmes and 7 staff were sponsored for retirement programme. In addition, several in house training sessions were conducted on information technology and public relations issues including Board members training. Training cost for above facilities amounted to TZS 199,533,722 (2021: TZS 74,276,000) reported under staff training and other benefits.

### c) Medical Assistance

All Members of staff and their spouse together with a maximum number of four beneficiaries (dependants) for each employee were availed with medical insurance were employer contribute three percent of employee basic salary moreover the NBAA subsidised to all employees who have not been able to access green card. Currently, these services are provided by the National Health Insurance Fund (NHIF). Cost relating to medical assistance amounted to TZS 63,787,170 (2021: TZS 48,082,905).

**d) Financial assistance to staff**

This is available to all confirmed employees depending on the assessment by Management of the need and circumstance and ability to make payment in accordance with the existing Board's Staff Regulations of 2014. Management has established a Revolving Fund and has influenced staff to establish and join the NBAA Savings and Credit Co-Operative Society (SACCOS) to assist in promoting the welfare of its employees. During the year under review management succeed to issue loans amounting to TZS 393,182,264 to staff (2021: TZS 560,221,090) through the established revolving fund.

**2.30 PERSONS WITH DISABILITIES**

The Board is an equal opportunity employer and as a matter of policy, recruitment processes are transparent and competitive. In case of applications for employment by persons with disabilities will be considered bearing in mind the aptitude of the applicant concerned. In event of members of staff becoming disabled, every effort shall be made to ensure that their employment with the Board continues and appropriate training is arranged. It is the policy of the Board that training, career development and promotion in case of staff with disabilities should, as far as possible, be identical to that of other employees.

**2.31 PREJUDICIAL ISSUES**

The NBAA faces a number of challenges including lack of ability to attract and retain competent and experienced manpower to manage its critical technical functions. This may lead to its failure to accomplish its roles as both a regulator and a member body due to low salaries paid to its manpower however the Board is working with the Government to improve working environment including increasing number of staff and salary.

**2.32 IMPACT OF COVID 19**

Some of the Board planned activities were not completed due to the delay in shipment of the equipment to be used in developing e learning infrastructure and other supporting equipment's.

**2.33 CAPITAL COMMITMENT**

As at the reporting date, NBAA had capital commitment amounting to TZS 98 million (2021: 109 million). The commitment relates to development of e- learning infrastructure and other supporting equipment's

The Board also has commitment to repurchase PSSF equity at APC Investment Centre as result of the joint venture review which require NBAA to repurchase PSSF equity as per repayment schedule which show payment of TZS 677,625,409 each year and this amount includes principal equity amount and premium. As at reporting date the Board has commitment amounting TZS 9,604,595,231 as shown on Joint venture Agreement Purchase schedule.

2.34 AUDITORS

The Controller and Auditor General is the statutory auditor of the National Board of Accountants and Auditors - (NBAA) by the virtue of article 143 of the Constitution of the United Republic of Tanzania as amplified under Section 30 (1) of the Public Audit Act (PAA) No 11 of 2008. M/s INNOVEX Auditors were authorized to carry jointly audit of NBAA for the financial year ended 30 June 2022.

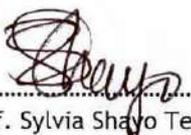
2.35 RESPONSIBILITY OF THE AUDITOR

The Controller and Auditor General (CAG) has a statutory responsibility to report to the stakeholders as to whether, in his opinion, the financial statements of the Corporation present fairly the financial position, financial performance, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended in accordance with the International Public Sector Accounting Standards (IPSASs), and in the manner required by the Accountants and Auditors (Registration) Act, CAP 286 and the Public Finance Act, Cap. 348. Furthermore, International Standards on Auditing requires auditors to report whether the report by Those Charged with Governance is consistent with the financial statements and that it contains no misstatement of facts.

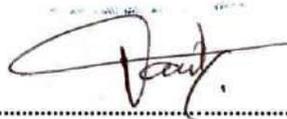
2.36 STATEMENT OF COMPLIANCE

The Report by Those Charged with Governance is prepared in compliance with the new Tanzania Financial Reporting Standard No. 1 (TFRS No. 1) as issued by the National Board of Accountants and Auditors (NBAA) and became effective from 1 January 2021.

This report was approved by those charged with governance on ..... **2.2 DEC 2022** ..... and signed on behalf by:

  
.....  
CPA Prof. Sylvia Shayo Temu  
Chairman

Date: ..... **2.2 DEC 2022** .....

  
.....  
CPA Paul R Bilabaye  
Chairman Audit Committee

Date: ..... **2.2 DEC 2022** .....

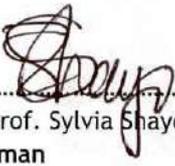
**3.0 STATEMENT OF RESPONSIBILITIES OF THOSE CHARGED WITH GOVERNANCE  
FOR THE YEAR ENDED 30 JUNE 2022**

Section 36 of the Auditors and Accountants (Registration) Act, CAP 286 requires NBAA to keep proper records and books of account, which should lead to the preparation of financial statements. Those charged with governance are required to prepare financial reports for each financial year that give a true and fair view of the state of affairs of the NBAA, its operations and sources and applications of the funds obtained during the period.

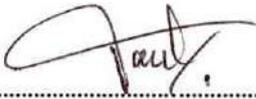
Those charged with governance accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimate in conformity with International Public Sector Accounting Standards (IPSASs) and in the manner required by applicable laws. Those charged with governance are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the NBAA and of its operating results. Those charged with governance further accept responsibility for the maintenance of the accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial controls.

Nothing has come to the attention of those charged with governance to indicate that the NBAA will not remain a going concern for a foreseeable future from the date of this statement.

This statement was approved by those charged with governance on .....**2.2 DEC. 2022**... and signed on behalf by:

  
.....  
CPA Prof. Sylvia Shayo Temu  
Chairman

Date: .....**2.2 DEC. 2022**.....

  
.....  
CPA Paul R Bilabaye  
Chairman Audit Committee

Date:.....**2.2 DEC. 2022**.....

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

---

**4.0 DECLARATION OF THE HEAD OF FINANCE**

The National Board of Accountants and Auditor (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act CAP 286, requires financial statements to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist those charged with governance to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with International Public Sector Accounting Standards (IPSAS) and statutory financial reporting requirements. Full legal responsibility for the preparation of the financial statements' rests with those charged as stated in their responsibilities on an earlier page.

I, **Juma Antipas Mshanga** being the Head of Finance of the National Board of Accountants and Auditors hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2022 have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) and statutory financial reporting requirements.

I thus confirm that the financial statements give a true and fair view position of the National Board of Accountants and Auditors as on that date and they have been prepared based on properly maintained financial records.

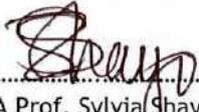
Signature:   
Name: Juma Antipas Mshanga  
Position: Ag. CHIEF ACCOUNTANT  
NBAA Membership No.: ACPA 3425  
Date: 22 DEC 2022

5.0 FINANCIAL STATEMENTS

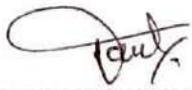
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	2022 TZS '000	Restated 2021 TZS '000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	1,126,968	334,393
Receivables from exchange transactions	8	1,997,578	2,024,794
Financial assets	9	76,300	76,300
Loan receivables from APC Investment Centre	10	802,482	802,483
Inventories	11	399,859	431,201
		<u>4,403,187</u>	<u>3,669,171</u>
<b>Non-current assets</b>			
Investment in joint venture	12	7,602,807	6,975,069
Property and equipment	13	3,418,748	3,647,058
Loan receivables from APC Investment Centre	10	20,563,543	21,224,405
Pre-operating lease rental	14	9,104,723	9,198,587
Intangible assets	15	258,035	187,452
		<u>40,947,856</u>	<u>41,232,571</u>
<b>TOTAL ASSETS</b>		<u>45,351,043</u>	<u>44,901,742</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables from exchange transactions	16	408,593	336,357
Provision for liabilities and charges	17	122,125	112,117
Borrowings - NSSF loan	18	802,482	802,483
		<u>1,333,200</u>	<u>1,250,957</u>
<b>Non-current liabilities</b>			
Borrowings - NSSF loan	18	20,563,543	21,224,406
		<u>20,563,543</u>	<u>21,224,406</u>
<b>TOTAL LIABILITIES</b>		<u>21,896,743</u>	<u>22,475,364</u>
<b>NET ASSETS</b>		<u>23,454,300</u>	<u>22,426,378</u>
<b>NET ASSETS</b>			
Special reserve	49	1,953,748	1,827,001
Contribution from the Government	48	6,568,922	6,568,922
Accumulated surplus		14,931,630	14,030,453
<b>Total net assets</b>		<u>23,454,300</u>	<u>22,426,376</u>

The notes form an integral part of financial statements which were approved by those charged with governance and authorised for issue on.....2.2.DEC.2022 and were signed on its behalf by:

  
 .....  
 CPA Prof. Sylvia Shayo Temu  
 Chairman

Date: .....2.2.DEC.2022.....

  
 .....  
 CPA Paul R Bilabaye  
 Chairman Audit Committee

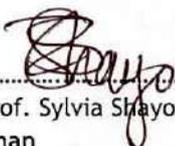
Date:.....2.2.DEC.2022.....

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS (NBAA)

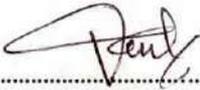
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 TZS '000	<i>Restated</i> 2021 TZS '000
<b>REVENUE</b>			
Revenue from non-exchange transactions	19	15,272,760	23,612,349
Revenue from exchange transactions	20	508,589	244,314
Other income	21	1,078,839	23,426,876
		<b>16,860,188</b>	<b>47,283,539</b>
<b>EXPENSES</b>			
Operating expenses	22	5,160,627	4,807,713
Employment costs	23	4,567,251	4,474,618
Administrative expenses	24	3,443,284	2,509,895
Other expenses	25	184,678	462,957
Finance costs	26	1,076,324	1,148,080
Depreciation of property and equipment	13	339,772	347,294
Share of loss in joint venture	12	1,187,075	1,230,385
		<b>15,959,011</b>	<b>14,980,942</b>
<b>Surplus for the year</b>		<b>901,177</b>	<b>32,302,597</b>
Attributable to:			
<b>Surplus for the year</b>		<b>901,177</b>	<b>32,302,597</b>

The note to the Financial Statements forms an integral part of financial statements.

  
 .....  
 CPA Prof. Sylvia Shayo Temu  
 Chairman

Date: ..... **22 DEC 2022**

  
 .....  
 CPA Paul R Bilabaye  
 Chairman Audit Committee

Date:..... **22 DEC 2022**....

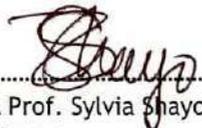
NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS (NBAA)

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

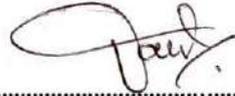
	Special reserve funds TZS '000	Contribution from the Government TZS '000	Accumulated deficit TZS '000	Total TZS '000
<b>Year ended 30 June 2021</b>				
At the beginning of the year	1,733,165	6,568,922	(18,656,313)	(10,354,226)
Special reserve fund interest	121,691	-	-	121,691
Deficit for the year	-	-	32,302,596	32,302,596
At the end of year	1,854,856	6,568,922	13,646,283	22,070,061
Prior year Adjustments (Note 38)	(27,855)	-	384,170	356,315
Restated balance as at the end of the year	<u>1,827,001</u>	<u>6,568,922</u>	<u>14,030,453</u>	<u>22,426,376</u>
<b>Year ended 30 June 2022</b>				
At the beginning of the year	1,827,001	6,568,922	14,030,453	22,426,376
Special reserve fund net interest	126,747	-	-	126,747
Surplus for the year	-	-	901,177	901,177
At the end of year	<u>1,953,748</u>	<u>6,568,922</u>	<u>14,931,630</u>	<u>23,454,300</u>

\*The details on the rationale and the movement on the special reserve are as per Note 34 to the financial statements.

The notes form an integral part of financial statements.

  
 .....  
 CPA Prof. Sylvia Shayo Temu  
 Chairman

Date: ..... **22 DEC 2022** .....

  
 .....  
 CPA Paul R Bilabaye  
 Chairman Audit Committee

Date: ..... **22 DEC 2022** .....

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

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2022**

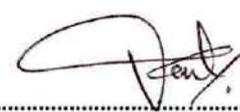
	Notes	2022 TZS '000	2021 TZS '000
<b>Operating activities</b>			
<b>Receipts</b>			
Ministry of Finance (Subvention and Development Fund)	28	246,779	368,295
Professional fees	29	3,577,343	3,482,884
Examination fee	30	4,028,383	3,600,983
Seminar fees	31	5,459,850	5,083,840
Fee from consultancy services	32	316,848	125,945
Sale of publications	33	26,021	15,384
Miscellaneous revenue	34	35,431	23,509
Rents	35	49,247	64,098
Donation income	36	107,000	86,500
<b>Payments</b>			
Consultancy expenses	37	(278,814)	(75,567)
Examination expenses	38	(2,516,578)	(2,827,696)
Seminar expenses	39	(2,523,079)	(2,247,683)
Employment costs	40	(2,879,547)	(3,060,071)
Administrative expenses	41	(2,913,273)	(2,747,788)
Other expenses	42	(13,131)	(11,979)
<b>Net cash generated from operating activities</b>		<b><u>2,722,480</u></b>	<b><u>1,880,654</u></b>
<b>Investing activities</b>			
Purchase of property, plant, and equipment	13	(131,939)	(979,978)
Purchase of intangible assets	15	(148,680)	(2,973)
Interest/ Dividend received		134,427	121,691
Proceeds from sale of property, plant, and equipment		31,100	-
<b>Net cash used in investing activities</b>		<b><u>(115,092)</u></b>	<b><u>(861,260)</u></b>
<b>Financing activities</b>			
Repayment of NSSF Loan	18	(1,737,188)	(2,082,786)
Purchase of PSSF Equity interest	12	(677,625)	
Repayment of loan by APC Investment	10	600,000	600,000
<b>Net cash used in financing activities</b>		<b><u>(1,814,813)</u></b>	<b><u>(1,482,786)</u></b>
<b>Increase /(decrease) in cash and cash equivalents</b>			
At the beginning of the year		792,575	(463,392)
At the end of the year	7	<u>334,393</u>	<u>797,785</u>
		<u>1,126,968</u>	<u>334,393</u>

The notes form an integral part of financial statements.



.....  
CPA Prof. Sylvia Shavo Temu  
Chairman

Date: ..... **2.2 DEC 2022** .....



.....  
CPA Paul R Bilabay  
Chairman Audit Committee

Date:..... **2.2 DEC 2022** .....

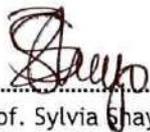
**NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS (NBAA)**

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022**

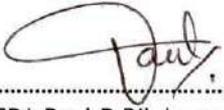
	Original Budget TZS 000	Final Budget TZS 000	Actual amount on comparable basis TZS 000	Deviation TZS 000
<b>Receipts</b>				
Ministry of Finance (Subvention and Development Fund)	1,677,840	1,677,840	1,634,428	43,412
Professional fees	4,453,849	4,453,849	3,577,343	876,506
Examination fee	4,237,090	4,237,090	4,028,383	208,707
Seminar fees	6,370,710	6,370,710	5,459,850	910,860
Fee from consultancy services	210,000	210,000	316,848	(106,848)
Sale of publications	25,000	25,000	26,021	(1,021)
Miscellaneous revenue	22,360	22,360	35,431	(13,071)
Dividend Received	2,510	2,510	12,735	(10,225)
Rents	40,000	40,000	49,247	(9,247)
Donation income	107,000	107,000	107,000	-
Repayment of loan by APC Investment	600,000	600,000	600,000	-
	<u>17,746,359</u>	<u>17,746,359</u>	<u>15,847,286</u>	<u>1,899,073</u>
<b>Payments</b>				
Consultancy expenses	(114,800)	(114,800)	(300,446)	185,646
Examination expenses	(3,129,807)	(3,129,807)	(2,489,311)	(640,496)
Seminar expenses	(3,269,360)	(3,269,360)	(2,523,079)	(746,281)
Employment costs	(4,630,577)	(4,630,577)	(4,408,730)	(221,847)
Administrative expenses	(3,717,402)	(3,717,402)	(2,923,227)	(794,175)
Other expenses	(14,500)	(14,500)	(13,131)	(1,369)
Repayment of NSSF Loan	(1,737,188)	(1,737,188)	(1,737,188)	-
Purchase of PSSF Equity interest	(677,625)	(677,625)	(677,625)	-
Purchase of Assets	(455,100)	(455,100)	(280,119)	(174,981)
	<u>(17,746,359)</u>	<u>(17,746,359)</u>	<u>(15,352,856)</u>	<u>(2,393,503)</u>
<b>Surplus</b>	<u>-</u>	<u>-</u>	<u>493,430</u>	<u>(493,430)</u>

\*The budget and financial statements are prepared on a different basis. The statement of comparison of budget and actual amounts above is prepared on the same basis as the budget. Additional information about the budget and a reconciliation of amounts as per the above statement and the actual amounts are disclosed in Note 54 and 55 to the financial statements.

\*Explanations on the deviations is on Notes 55 of these financial statements.

  
.....  
CPA Prof. Sylvia Shayo Temu  
Chairman

Date: 22 DEC 2022

  
.....  
CPA Paul R Bilabay  
Chairman Audit Committee

Date: 22 DEC 2022

**6.0 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

**1. GENERAL INFORMATION**

The National Board of Accountants and Auditors (NBAA) is an independent regulatory body for the accountancy profession established under the Accountants and Auditors (Registration) Act, CAP 286 and operating under the Ministry of Finance. NBAA was established in 1972 and started carrying out its activities from 15 January 1973. The principal activities of the NBAA are disclosed in the Governing Board Report. The address of its registered office is:

8<sup>th</sup> Floor, NAOT Building,  
411404 Tambukareli,  
PO Box 1271,  
Dodoma.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain financial instruments at fair value.

The Statement of budget and actual has been prepared using cash basis of accounting, further classification schemes adopted for presentation is similar to the formats adopted for the financial statements. The budget period is for 12 months which is similar to adopted reporting period of financial statements.

**Statement of compliance**

The financial statements of the NBAA have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) and comply with the Accountants and Auditors (Registration) Act, CAP 286

The financial statements are presented in Tanzania shillings (TZS) and all values are rounded to nearest thousand shillings (TZS '000') unless otherwise stated.

**Going concern**

The financial statements have been prepared on going concern basis which assumes that the Board will continue in operational existence for the foreseeable future.

**3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

The accounting policies adopted by the NBAA are consistent with those of the previous financial year except where otherwise stated.

**4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of financial statements in conformity with IPSAS requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Although these estimates are based on the directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The most significant use of judgement and estimates are as follows:

**a. Fair value of financial instruments**

Where the fair values of financial assets and financial liabilities recorded on the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives and discount rates.

**b. Impairment losses on trade receivables**

The NBAA reviews its trade receivables at each reporting date to assess whether an impairment loss should be recognized in the Statement of Financial Performance. The NBAA reviews its trade receivables at each reporting date to assess whether an impairment loss should be recognized in the Statement of Financial Performance. In particular, judgement by the directors is required in the estimation of the amount and timing of future cash flows when determining the level of impairment loss required. Such estimates are based on the assumptions about a number of factors and actual results may differ, resulting in future changes in the impairment. The details of provision for impairment of trade receivables are in Note 8.

**c. Held to maturity investments**

The NBAA follows the guidance of IPSAS 29 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the NBAA evaluates its intention and ability to hold such investments to maturity. If the NBAA fails to keep these investments to maturity other than for the specific circumstances - for example, selling an insignificant amount close to maturity - it will be required to reclassify the entire class as available-for-sale. The investments would therefore be measured at fair value not amortised cost.

**d. Useful lives of property, plant and equipment and intangible assets**

The NBAA has made accounting estimation of the useful lives of property and equipment and intangible assets based on the expected pattern of consumption of the future economic benefits and reviewed its depreciation rates. The useful lives of items of property and equipment have been estimated annually and are in line with the rate at which they are depreciated. The depreciation rates of property, plant and equipment are given in Note 13.

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

### a. Revenue from non-exchange transactions

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the NBAA and the revenue can be reliably measured.

**Subvention from Treasury:** Subvention comprises of funds paid by Treasury to cater for employees' salaries. These are credited to the Statement of Financial Performance in the period which they are received.

**Revenues from non-exchange transactions:** Revenues from non-exchange transactions with other entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfers are free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Board and can be measured reliably.

**Grants and development funds:** Grants are recognized when there is past event that give raise to the control to the resources and future economic benefits to the Board.

When the Board receives grants attached with conditions to return the grants when conditions are not fulfilled, the Board recognizes a deferred revenue and releases the amount as revenue when conditions are meet.

When the Board receives grants without conditions to return the grants when conditions are not fulfilled, the Board recognizes a revenue instantly.

**Professional fees, examination fees and seminar fees:** Revenue from professional, examination and seminar fees collected are recognized when received.

### b. Revenue from exchange transactions

**Dividend revenue:** Revenue is recognised when the NBAA's right to receive the payment is established.

**Consultancy fees:** Revenue from consultancy fees is accounted for on accrual basis.

**Rental revenue:** Rental revenue is recognised when earned.

**Other revenue:** Other revenue is recognised in the period in which it is earned. This include sale of publications and library services. Unconditional donation income is recognised when it is received.

**c. Cash and cash equivalents**

For the purposes of the Statement of Cash Flow, cash and cash equivalents comprise cash in hand, deposits held with banks and investments in money market instruments with an origin or maturity of three months or less that are readily convertible to known amount of cash and which are subject to insignificant risk of change in value.

**d. Inventories**

Inventories held for sale, i.e., bookshop books, are stated at the lower of cost or net realizable value. Inventories for consumption, i.e., stationeries, are stated at the lower of cost and current replacement cost.

Cost is determined by the First-In-First-Out (FIFO) method. Net realizable value is the estimate of the selling price in the ordinary course of business, less the selling expenses. Current replacement cost is the cost the entity would incur to acquire the asset on the reporting date.

Provision for impairment is made for slow moving and obsolete stocks.

**e. Provisions**

Provisions are recognised when the NBAA has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the NBAA expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the Statement of Financial Performance net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**f. Foreign currency translation**

*(i). Functional and presentation currency*

Items included in the financial statements of the NBAA are measured using the currency of the primary economic environment in which the NBAA operates ("the functional currency"). The financial statements are presented in Tanzanian Shillings, which is the NBAA's functional and presentation currency and all values are rounded to the nearest thousand (TZS'000) except where otherwise indicated.

*(ii). Transactions and balances*

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets (bid price) and liabilities (offer price) denominated in foreign currencies are recognized in the Statement of Financial Performance.

**g. Related parties**

Related parties comprise of Government of the United Republic of Tanzania, Ministry of Finance, APC Investment Centre, members of the Governing Board and Management Advisory Committee of the NBAA who have either significant influence or control over the NBAA's affairs.

**h. Property and equipment**

All property and equipment are initially recorded at cost and thereafter stated at historical cost less depreciation, less any cumulative asset impairment. Where an asset is acquired through a non-exchange transaction, its costs shall be measured at its fair value as at the date of acquisition.

Subsequent expenditures are capitalized only when they increase the current economic benefits and meet the recognition criteria. Expenditure incurred to replace a component of item of property and equipment is accounted for separately and capitalized while the major replaced component is derecognised. All other expenditure items, which do not meet recognition criteria, are recognised in the Statement of Financial Performance as expenses as they are incurred.

Depreciation on assets is calculated on the straight-line method to write off the cost of each asset, over their estimated useful lives. The depreciation rates are as follows:

<b>Asset category</b>	<b>Years</b>
Buildings	50
Office furniture	10-25
Households' furniture	10-25
Motor vehicles	15
Office equipment	5-10
Library books	5
Graduation gowns	5

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Financial Performance when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

**i. Intangible assets**

Intangible assets consist of computer application software and computer packages. Intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Generally, costs associated with developing computer software programmes are recognised as an expense when incurred. Intangible assets acquired are measured on initial recognition at cost.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite live are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The annual rate of amortisation, which has been consistently applied, is 20.0% - 33.33%. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year-end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the Statement of Financial Performance. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

**Research and development costs**

The Board expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Board can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use.
- Its intention to complete and its ability to use the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset will begin when development is completed, and the asset is available for use. It will be amortized over the period of its expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

j. Financial instruments

(b) Financial assets

*Initial recognition and measurement*

The NBAA's financial assets include cash, trade and other receivables and TBL Share investments. All financial assets are recognised initially at fair value or cost plus, in the case of investments not at fair value through surplus or deficit, directly attributable transaction costs

*Subsequent measurement*

The subsequent measurement of financial assets are as follows:

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of financial performance. The losses arising from impairment are recognised in the statement of financial performance in finance costs.

*Available-for-sale financial investments*

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through surplus or deficit. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions. After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised in other operating income, or determined to be impaired, at which time the cumulative loss is reclassified to the Statement of Financial Performance in finance costs and removed from the available-for-sale reserve.

The NBAA evaluated its available-for-sale financial assets whether the ability and intention to sell them in the near term is still appropriate.

*De recognition*

NBAA will derecognise financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) when:

- The rights to receive cash flows from the asset have expired and
- The NBAA has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - a. the NBAA has transferred substantially all the risks and rewards of the asset, or

- b. the NBAA has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

***Impairment of financial assets***

The NBAA assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the NBAA of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

***Financial assets carried at amortised cost***

For financial assets carried at amortised cost, the NBAA first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the NBAA determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a Board of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the Statement of Financial Performance. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the NBAA.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the Statement of Financial Performance.

***Available-for-sale financial investments***

For available-for-sale financial investments, the NBAA assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement - is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement.

**a. Financial liabilities**

***Initial recognition and measurement***

The NBAA's financial liabilities include trade and other payables, and borrowings. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

***Subsequent measurement***

The measurement of financial liabilities depends on their classification as follows:

***Borrowings***

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of comprehensive income.

***De recognition***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

***Trade payable***

Accounts payable are obligation to pay for goods or services that have acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one or less (or in the normal operating cycles of the business if longer). If not, they are presented as non- current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method.

**k. Interests in joint ventures**

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The NBAA's investments in joint venture are accounted for using the equity method. Under the equity method, the investment in joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the NBAA's share of net assets of the joint venture since the acquisition date. After application of the equity method, the NBAA determines whether it is necessary to recognise an impairment loss on its investment in joint venture. At each reporting date, the NBAA determines whether there is objective evidence that the investment in joint venture is impaired. If there is such evidence, the NBAA calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the Statement of Financial Performance.

Upon loss of joint control over the joint venture, the NBAA measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

**Value added tax**

Revenues, expenses, and assets are recognised net of the amount of value added tax except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**l. Corporate tax**

The NBAA is exempted from corporate tax on its surplus.

**m. Operating lease**

Leases of assets under which a significant portion of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. A payment made on acquiring a leasehold land has been presented as prepaid operating lease rental and are charged to the income statement on a straight-line basis over the period of the lease. The amount received from tenants in respect of NBAA's leased out spaced are recognised as other income.

**n. Employee benefits**

Employee benefits are recognised on accrual basis.

**Short-term benefits**

Employee benefits include salaries, pensions, annual leave and other related - employment costs. The estimated monetary liability for employees accrued annual leave entitlement at the reporting date is recognized as an expense.

**Post-employment benefits**

NBAA and its employees contribute to the Public Service Social Security Fund (PSSSF), a statutory defined contribution plan, under the PSSSF Act, 2018. The organisation's contributions to the defined contribution scheme are charged to the Statement of Financial Performance in the year in which they relate. NBAA has no other obligations to pay employees the benefit relating to employee's services in the current and prior period.

***Other long-term benefits***

Employee entitlements to gratuity and long service awards are recognized when they accrue to employees. A provision is made for the estimated liability for such entitlements as a result of services rendered by employees up to the reporting date.

**o. Impairment of non-financial assets**

The NBAA assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the NBAA makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses of continuing operations are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**p. Comparatives**

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

q. Deferred income

When the Board receives revenue but does not meet the criteria for revenue recognition or revenue recognition process has not been completed is accounted for as Deferred Income and disclosed in the Statement of Financial Position.

6. STANDARDS, AMENDMENTS, AND INTERPRETATIONS ISSUED

(i) New and revised IPSAS mandatorily effective at the end of the reporting period

There were no new or revised IPSAS were mandatorily effective and adopted by the Board as at the end of the reporting period.

(ii) Standards and interpretations in issue but not yet effective

At the reporting date, the following new and/or revised accounting standards and interpretations were in issue but not yet effective and therefore have not been applied in these financial statements. The Board has not yet assessed the impact of these changes on their financial statements when they become effective.

IPSAS	Improvements/details of the new standards
IPSAS 41, Financial Instruments	<p>IPSAS 41 improves financial reporting for financial instruments, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p>Effective for annual periods beginning on or after 1<sup>st</sup> January 2022. Earlier application is permitted.</p>
IPSAS 42, Social Benefits	<p>The standard provides guidance on accounting for social benefits expenditure. It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk. Specific examples include state retirement benefits, disability benefits, income support and unemployment benefits. The new standard requires an entity to recognize an expense and a liability for the next social benefit payment. It seeks to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. To accomplish this, IPSAS 42 establishes principles and requirements for:</p> <ul style="list-style-type: none"> <li>• Recognizing expenses and liabilities for social benefits;</li> <li>• Measuring expenses and liabilities for social benefits;</li> <li>• Presenting information about social benefits in the financial statements; and</li> <li>• Determining what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the social benefits provided by the reporting entity</li> </ul> <p>Effective for annual periods beginning on or after 1 January 2022.</p>

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

IPSAS	Improvements/details of the new standards
IPSAS 43, Leases	<p>While the IPSASB has retained the IPSAS 13's finance lease/operating lease distinction for lessors, the distinction is no longer relevant for lessees. All lease contracts, including rental contracts, will be recognised on the statement of financial position of the lessees, with some exceptions in limited circumstances.</p> <p>For lessees, IPSAS 43 introduces a right-of-use model that replaces the risks and rewards incidental to ownership model in IPSAS 13, Leases. For lessors, IPSAS 43 substantially carries forward the risks and rewards incidental to ownership model in IPSAS 13.</p> <p>IPSAS 43 will replace IPSAS 13 for reporting periods beginning on or after 1 January 2025 with a retrospective application by default.</p>
IPSAS 44, Non-Current Assets Held for Sale and Discontinued Operations	<p>IPSAS 44 specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. It requires assets that meet the criteria to be classified as held for sale to be:</p> <ul style="list-style-type: none"> <li>• Measured at the lower of carrying amount and fair value less costs to sell and depreciation on such assets to cease; and</li> <li>• Presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.]</li> </ul> <p>IPSAS 44 will be effective for reporting periods beginning on or after 1 January 2025.</p>

	2022 TZS '000	2021 TZS '000
<b>7. CASH AND CASH EQUIVALENTS</b>		
Cash on hand	-	43
CRDB Ac 01J1042978100	239,704	66,648
CRDB Ac 0150005553500	8	8
CRDB Ac 01J1042978101	80,468	58,312
CRDB Ac 01J1042978102	216,398	45,139
BOT Ac 9925261011	549,001	98,288
CRDB Ac 01J1005553500	21,609	7,659
BOT Ac 993244221	11,862	11,862
Standard chartered Ac 8702020497700	2	2
NMB Ac 22310034889	7,916	46,432
	<u>1,126,968</u>	<u>334,393</u>

For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand and held with banks. Cash and cash equivalents were not pledged to fulfil collateral requirements. More cash was held at the end of the year as a result of decrease in loan repayment made towards year end from TZS 2.082 billion to TZS 1.737 billion and decrease in number of staff who borrow from the staff housing loan revolving fund.

	2022 TZS '000	2021 TZS '000
<b>8. RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
Receivables from exchange transaction	292,473	262,234
Less: Provision for impairment of trade receivables	(175,694)	(175,694)
Net receivables from exchange transaction	<u>116,779</u>	<u>86,540</u>

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

	2022	2021
	TZS '000	TZS '000
Staff loan from revolving fund	1,370,872	1,334,588
Under charged Bank Charges		(27,855)
Other receivables	143,863	184,806
Receivable from related parties (Note 28)	366,064	446,715
	<u>1,997,578</u>	<u>2,024,794</u>
Movement of provision for impairment of trade receivables:		
At the beginning of the year	175,695	301,849
Addition impairment charges during the year	-	-
Loan written off	-	-
Recovery of impairment losses (Note 21)	-	(126,154)
At the end of the year	<u>175,695</u>	<u>175,695</u>
<b>9. FINANCIAL ASSETS/ QUOTED EQUITIES</b>		
At the beginning of the year		
Fair value loss	76,300	76,300
At end of year	-	-
	<u>76,300</u>	<u>76,300</u>
NBAA owns 7,000 fully paid ordinary shares of Tanzania Breweries Limited with par value of TZS 100 each. As at the reporting date i.e., 30 June 2022, each share had a market value of TZS 10,900 (2021: TZS 10,900).		
	2022	2021
	TZS '000	TZS '000
<b>10. LOAN RECEIVABLE FROM APC</b>		<i>Restated</i>
Loan to APC Investment	22,026,889	22,961,595
Accrued interest during the year	1,076,324	1,148,080
Transferred to additional investment	(1,137,188)	(1,482,786)
Loan repayment by APC	(600,000)	(600,000)
<b>Total amount</b>	<u>21,366,025</u>	<u>22,026,889</u>
Less: Provision for impairment	-	-
Carrying amount	<u>21,366,025</u>	<u>22,026,889</u>
Current portion	802,482	802,483
Non-current portion	20,563,543	21,224,406
	<u>21,366,025</u>	<u>22,026,889</u>
Movement of provision for impairment of loan		
At the beginning of the year	-	22,151,521
Recovery of impairment losses after restructuring (Note 21)	-	(22,151,521)
At the end of the year	<u>-</u>	<u>-</u>

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS (NBAA)

10. LOAN RECEIVABLE FROM APC (Continued)

Loan receivables from APC Investment Centre relate to the TZS 15 billion loan and accumulated interest and penalties loaned out from NBAA for the purpose of constructing the APC Centre. As per loan agreement between NBAA and APC Investment Centre dated 21 February 2020, APC agreed to take up the loan that NBAA had obtained from NSSF at the interest of 15% per annum. In March 2022, the Board completed the restructuring of the loan and converted the loan and interests at a starting principal amount of TZS 22.962 billion effective from 1 July 2020. With the new restructured terms, the loan is repayable for a period of 20 years i.e., up to 30 June 2040 at an interest rate of 5%. The revised repayments terms require a fixed repayment of TZS 1.737 billion (including interest and penalties) annually. The loan Balance as per schedule stood at TZS 20.66 billion and the balance as per reporting computation stood at TZS 21.36 making a difference of TZS 0.7 billion as the result of taking into consideration of the accrued(unpaid) interest in the computations of the reporting balance.

	2022 TZS '000	2021 TZS '000
<b>11. INVENTORIES</b>		
Stationery	176,863	242,161
Books and publication stocks	312,486	278,530
Less: Provision for obsolete stock	(89,490)	(89,490)
	<u>399,859</u>	<u>431,201</u>
<i>Movement of provision of obsolete stock:</i>		
At the beginning of the year	89,490	90,408
Write off of NBAA study kits	-	(918)
At the end of the year	<u>89,490</u>	<u>89,490</u>
<b>12. INVESTMENT IN JOINT VENTURE</b>		
At the beginning of the year	6,975,069	6,722,668
Additional investment in joint venture	1,137,188	1,482,786
Share of loss for the period	(1,187,075)	(1,230,385)
<i>Purchase of PSSSF Equity at APC</i>		
Net assets Purchase from PSSSF	128,691	-
Goodwill on Purchase of equity contributions from PSSSF.	548,934	-
At 30 June <sup>1</sup>	<u>7,602,807</u>	<u>6,975,069</u>
Share of loss for the period		
Loss as reported by APC Investment	(1,946,024)	(2,121,354)
Percentage of NBAA contribution in APC Investment	61%	58%
Share of loss in the investment for the period	<u>(1,187,075)</u>	<u>(1,230,385)</u>

12 INVESTMENT IN JOINT VENTURE

APC Investment Centre is an investment in joint venture between NBAA and GEPF Retirement Benefits Fund (merged with other pension funds effective from August 2018 to

<sup>1</sup> The carrying amount of investment in Joint Venture include goodwill amounting to TZS 548.93 million resulting from the difference between the cost of investment and net assets of purchased part of PSSSF equity interest by NBAA in APC Investment Centre.

12 INVESTMENT IN JOINT VENTURE (Continued)

form Public Service Social Security Fund- PSSSF). The investment was finalized and commenced operations as a separate entity in year, 2017. As per the joint venture agreement, contribution for the investment at the inception was 55.6% for PSSSF and 44.4% for NBAA. However, currently the contribution is 61% (2021: 58%) for NBAA and 39% (2021: 42%) for PSSSF due to subsequent additions by NBAA. As per the joint venture agreement, the joint venture capital will be repurchased by NBAA over a period of years and thereafter, the equity shareholding will change.

EXTRACT OF FINANCIAL STATEMENTS OF APC INVESTMENT CENTRE

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	2022 TZS '000	Restated 2021 TZS '000
Revenue	3,553,190	2,758,411
Cost of sales	(592,461)	(408,245)
Gross profit	<u>2,960,729</u>	<u>2,350,166</u>
Other income	-	1,287,478
Staff costs	(813,140)	(718,057)
Administrative expenses	(1,013,564)	(992,395)
Depreciation and amortization expenses	(2,003,725)	(2,900,466)
Finance costs	(1,076,324)	(1,148,080)
	<u>(4,906,753)</u>	<u>(5,758,998)</u>
Loss before tax	(1,946,024)	(2,121,354)
Taxation	-	-
Loss for the year	<u>(1,946,024)</u>	<u>(2,121,354)</u>

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS (NBAA)

STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2022

	2022 TZS '000	Restated 2021 TZS '000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Leasehold land	318,901	331,772
Property, plant and equipment	28,632,105	30,510,341
Intangible assets	974	5,204
<b>Total non-current assets</b>	<u>28,951,980</u>	<u>30,847,317</u>
<b>CURRENT ASSETS</b>		
Inventory	43,068	40,853
Trade and other receivables	496,948	225,997
Cash and cash equivalents	749,344	356,672
<b>Total current assets</b>	<u>1,289,360</u>	<u>623,522</u>
<b>TOTAL ASSETS</b>	<u>30,241,340</u>	<u>31,470,839</u>
<b>EQUITY</b>		
Equity contribution	24,686,233	23,455,068
Retained earnings	(16,095,985)	(14,149,961)
<b>Total equity</b>	<u>8,590,248</u>	<u>9,305,107</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loan from NBAA	<u>21,366,025</u>	<u>22,026,889</u>
<b>Current liabilities</b>		
Trade and other payables	275,333	129,110
Advances from customers	9,733	9,733
<b>Total current liabilities</b>	<u>285,066</u>	<u>138,843</u>
<b>Total liabilities</b>	<u>21,651,091</u>	<u>22,165,732</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>30,241,340</u>	<u>31,470,839</u>

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS (NBAA)

13. PROPERTY AND EQUIPMENT

	Buildings TZS '000	Office household and furniture TZS '000	Motor vehicles TZS '000	Office equipment TZS '000	Library books TZS '000	Graduation gowns TZS '000	WIP TZS '000	Total TZS '000
<b>Cost</b>								
At 01 <sup>st</sup> July, 2021	2,691,947	387,086	781,828	1,917,755	221,867	66,594	-	6,067,077
Additions	-	-	-	131,939	-	-	-	131,939
Disposal	-	-	(147,238)	-	-	-	-	(147,238)
At 30 <sup>th</sup> June, 2022	2,691,947	387,086	634,590	2,049,694	221,867	66,594	-	6,051,778
<b>Accumulated depreciation</b>								
At 01 <sup>st</sup> July, 2021	725,305	182,077	348,270	1,006,532	150,026	7,811	-	2,420,020
Charge for the year	53,839	28,556	39,675	192,226	18,817	6,659	-	339,772
Disposals	-	-	(126,763)	-	-	-	-	(126,763)
At 30 <sup>th</sup> June, 2022	779,144	210,633	261,182	1,198,758	168,843	14,470	-	2,633,029
Carrying value								
At 30 <sup>th</sup> June, 2022	1,912,803	176,453	373,408	850,936	53,024	52,124	-	3,418,748
<b>Cost</b>								
At 01 <sup>st</sup> July, 2020	1,444,071	370,993	781,828	1,781,005	221,867	66,678	175,139	4,841,581
Additions	1,072,737	16,093	-	136,750	-	32,964	-	1,258,544
Disposal	-	-	-	-	-	(33,048)	(175,139)	(208,187)
Transfer to/from WIP	175,139	-	-	-	-	-	-	175,139
At 30 <sup>th</sup> June, 2021	2,691,947	387,086	781,828	1,917,755	221,867	66,594	-	6,067,077
<b>Accumulated depreciation</b>								
At 01 <sup>st</sup> July, 2020	684,116	157,201	317,039	1,027,393	201,936	34,638	-	2,422,323
Effect of Overcharged Depreciation	-	(3,447)	(59,725)	(236,105)	(57,040)	-	-	(356,317)
Charge for the year	41,189	28,323	52,122	215,244	5,130	5,286	-	347,294
Disposals	-	-	-	-	-	(32,113)	-	-
Impairment loss	-	-	38,833	-	-	-	-	38,833
At 30 <sup>th</sup> June, 2021	725,305	182,077	348,269	1,006,532	150,026	7,811	-	2,420,020
Carrying value								
At 30 <sup>th</sup> June, 2021	1,966,642	205,009	433,559	911,223	71,841	58,783	-	3,647,057

Cash payments on assets that was disposed during the year was worth TZS 31,100,000 (2021: Nil)

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS (NBAA)

	2022	2021
	TZS '000	TZS '000
<b>14. PRE-OPERATING LEASE RENTALS</b>		
<b>Cost</b>		
At the beginning of the year	9,292,532	1,342
Addition during the year (valuation of land)	-	9,291,190
At the end of the year	<u>9,292,532</u>	<u>9,292,532</u>
<b>Amortization</b>		
At the beginning of the year	(93,945)	(81)
Charge for the year	(93,864)	(93,864)
At the end of the year	<u>(187,809)</u>	<u>(93,945)</u>
<b>Carrying value</b>	<u>9,104,723</u>	<u>9,198,587</u>

During the year, the Board owns three plots no. 1191 and 1192 Block AA Chinyonyo Dodoma and plot 2,3 and 4 Block A Kisutu Dar es salaam. The Board has been given the rights of occupancy for 99 years to all plots.

	2022	2021
	TZS '000	TZS '000
<b>15. INTANGIBLE ASSETS</b>		
<b>Cost</b>		
At the beginning of the year	234,315	231,342
Addition during the year	148,680	2,973
At the end of the year	<u>382,995</u>	<u>234,315</u>
<b>Amortization</b>		
At the beginning of the year	(46,863)	-
Charge for the year	(78,097)	(46,863)
At the end of the year	<u>(124,960)</u>	<u>(46,863)</u>
<b>Carrying value</b>	<u>258,035</u>	<u>187,452</u>

Intangible asset related to the in-house software for students' registration and members registration

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS (NBAA)

	2022	2021
	TZS '000	TZS '000
<b>16. TRADE AND OTHER PAYABLES</b>		
Trade payables	238,741	212,916
Students' deposits	16,877	16,714
Other payables	152,975	106,727
	<u>408,593</u>	<u>336,357</u>
<b>17. PROVISION OF LIABILITIES AND CHARGES</b>		
At start of year	112,118	63,698
Charge for the year	122,125	112,118
Used amounts reversed	(112,118)	(63,698)
At the end of the year	<u>122,125</u>	<u>112,118</u>
Provision of liabilities and charges represents provision for staff leave and long-term service awards.		
<b>18. BORROWINGS</b>		Restated
At the start of the year	22,026,889	24,249,073
Accrued interests during the year (Note 26)	1,076,324	1,148,080
Loan repayment during the year	(1,737,188)	(2,082,786)
Penalties written off	-	(1,287,478)
As at 30 June	<u>21,366,025</u>	<u>22,026,889</u>
Current portion	802,482	802,483
Non-current portion	20,563,543	21,224,406
	<u>21,366,025</u>	<u>22,026,889</u>

On 1 November 2010, NBAA entered into a long-term agreement with National Social Security Fund (NSSF). Under the terms of this agreement, NSSF lent a sum of TZS 15,000,000,000 for a period of 10 years at interest rate of 15% per annum accrued from the first date of first disbursement and paid semi-annually. The loan was secured by the government guarantee number TYC/T/200/613/40. The whole loan amount was received between April 2012 and April 2013. In March 2022, NSSF and NBAA completed loan restructuring that resulted to waived penalties and converted the outstanding loan and interest agreed to a starting principal loan amount of TZS 22.962 billion effective from 1 July 2020. With the new restructured terms, the loan is repayable for a period of 20 years i.e., up to 30 June 2040 at an interest rate of 5%. The revised repayments terms require a fixed repayment of TZS 1.737 billion annually. The loan Balance as per schedule stood at TZS 20.66 billion and the balance as per reporting computation stood at TZS 21.37 making a difference of TZS 0.7 billion as the result of taking into consideration of accrued(unpaid) interest in the computations of the reporting balance.

**Compliance with terms and conditions of the loan agreement**

The repayment of a fixed amount of TZS 1,737 million annually was adhered to.

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

	2022 TZS '000	2021 TZS '000
<b>19. REVENUE FROM NON-EXCHANGE</b>		
Subvention from Treasury	1,937,631	1,762,037
Professional fees and training	3,610,740	3,502,669
Examination fee	4,092,983	3,581,198
Seminar fees	5,513,782	5,110,190
Land valuation	-	9,291,190
Other non-exchange income	107,000	86,500
Gain on Disposal of Motor Vehicle	10,624	
Donated building (study lobby)	-	278,565
	<b>15,272,760</b>	<b>23,612,349</b>
<b>20. REVENUE FROM EXCHANGE TRANSACTIONS</b>		
Fee from consultancy services	398,090	125,975
Sale of publications	26,021	15,384
Miscellaneous revenue	35,230	23,509
Rent	49,247	79,447
	<b>508,588</b>	<b>244,315</b>
<b>21. OTHER INCOME</b>		
Dividend income	2,515	1,120
Interest income from loan to APC Investment Centre	1,076,324	1,148,080
Fixed Asset Impairment recovery	-	126,155
Loan impairment recovery (Note 10)	-	22,151,521
	<b>1,078,839</b>	<b>23,426,876</b>
<b>22. OPERATING EXPENSES</b>		
<b>a. Consultancy expenses</b>		
Traveling and accommodation	74,132	58,645
Venue hiring	8,296	-
Wages/honorarium and incentives	149,760	100,140
Consultancy costs	47,067	-
Meal allowance/expenses	15,150	-
Printing, postages, and telephone	6,414	2,351
Fuel	2,777	3,952
	<b>303,595</b>	<b>165,088</b>
<b>b. Examination expenses</b>		
Traveling and accommodation	414,785	523,329
Venue hiring and exam assembly	472,992	498,498
Printing and stationery	137,413	215,085
Examination setting and moderation	103,480	99,379
Marking and moderation of exams	323,805	362,531
Wages/honorarium and incentives	129,447	42,500
Invigilation	79,328	63,470
Meal allowance / expenses	94,523	142,490
Extra duty allowance	347,180	443,893
Staff welfare and medical	196,060	214,760

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

	2022	2021
	TZS '000	TZS '000
NBAA students prize	11,501	5,160
Postages and telephone	10	1,367
Vehicle fuel	5,415	10,715
	<u>2,315,939</u>	<u>2,623,177</u>
<b>c. Seminar expenses</b>		
Traveling and accommodation	107,824	105,970
Venue hiring	1,668,479	1,380,433
Wages/honorarium and incentives	488,154	282,996
Printing and stationery	260,128	231,228
Telephone and postages	2,820	3,190
Advertisement and entertainment	7,705	4,911
Prizes to other institutions	-	2,917
Fuel	5,982	7,803
	<u>2,541,092</u>	<u>2,019,448</u>
	<u>5,160,627</u>	<u>4,807,713</u>
<b>23. EMPLOYMENT COSTS</b>		
Salaries and wages	1,974,636	1,874,077
Staff telephone, furniture and other benefits	196,400	295,154
Staff training	51,534	74,276
Staff medical and pension contribution	193,815	182,713
Staff leave passage	243,027	239,265
Gratuity for contractual staff	-	11,738
Staff uniforms and staff welfare	1,907,839	1,797,395
	<u>4,567,251</u>	<u>4,474,618</u>
<b>24. ADMINISTRATIVE EXPENSES</b>		
Directors' fees	38,975	59,250
Board meeting expenses	276,113	153,746
Postages and telephones	1,344	1,382
Vehicle running expenses	115,180	107,386
Traveling and accommodation	656,267	429,370
Facilitation expenses	16,571	19,332
Printing, publications and stationery	103,615	136,600
Subscriptions and periodicals	137,987	94,728
Advertising	10,743	12,702
Promotional materials	21,549	12,850
Audit fees	64,664	64,664
AQR consultancy cost	66,840	66,840
Tender valuation	27,076	11,560
Honoraria and incentives for special task	1,305,771	761,064
Office expenses	99,311	61,620
Hall/venue hiring	163,970	219,100
Cost of books sold	17,150	7,344
Office rent	69,763	69,763
Land rent and property taxes	10,288	10,288

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS (NBAA)

	2022	2021
	TZS '000	TZS '000
Electricity and water	80,602	78,901
Repairs and maintenance	30,957	3,895
Insurance	28,548	27,510
Disbursement to treasurer	100,000	100,000
	<u>3,443,284</u>	<u>2,509,895</u>
<b>25. OTHER EXPENSES</b>		
Bank charges	12,717	11,565
Amortization of pre-operating lease rentals/intangible assets (Note 14)	93,864	93,864
Amortization of intangible assets	78,097	46,863
Asset impairment loss	-	38,833
Loss on disposal of office equipment	-	933
Disposal of stock (study kits)	-	270,899
	<u>184,678</u>	<u>462,957</u>
<b>26. FINANCE COSTS</b>		Restated
Interest on borrowings (Note 18)	1,076,324	1,148,080
	<u>1,076,324</u>	<u>1,148,080</u>
<b>27. CASH FLOW RECONCILIATION (BY INDIRECT METHOD) DEFICIT FOR THE YEAR RECONCILED TO CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Notes	
		2022
		TZS '000
		2021
		TZS '000
<b>Operating activities</b>		
Surplus/(deficit) for the year		907,177
<i>Adjust for:</i>		
Depreciation expenses	13	339,772
Amortization lease	14	93,864
Amortization intangible	15	78,097
Revaluation gain	19	-
Impairment loss	25	-
Loss on disposal	25	-
Cost of disposed assets		8,048
Provision for the long services	17	122,125
Donated income	19	-
Share of loss	12	1,187,075
Premium on PSSSF equity at APC Investment Centre	25	-
<i>Working capital changes:</i>		
Changes in receivables	8	27,216
Changes in inventory	11	31,342
Changes in payables	16	(72,236)
<b>Cashflow from operating activities</b>		<u>2,722,480</u>
<b>28. SUBVENTION FROM TRASURY</b>		
Salary subvention		246,779
This represents the salary deductions received from treasury during the year 2021/22.		<u>368,295</u>

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

---

	2022 TZS '000	2021 TZS '000
<b>29. PROFESSIONAL FEES</b>		
Professional fees	<u>3,577,343</u>	<u>3,482,884</u>
For cash flow, this represents the membership and candidacy application and annual fees received during the year 2021/22.		
<b>30. EXAMINATION FEES</b>		
Examination Fees	<u>4,028,383</u>	<u>3,600,983</u>
For cash flow presentation, these represents the examination fees for both CPA candidates and IPSAS students received during the year 2021/22.		
<b>31. SEMINAR FEE</b>		
Seminar fees	<u>5,459,850</u>	<u>5,083,840</u>
This represents the seminar participation fees for both workshops and CPD seminars received during the year 2021/21.		
<b>32. FEE FROM CONSULTANCY SERVICES</b>		
Fee from consultancy services	<u>316,848</u>	<u>125,945</u>
For cash flow presentation, this represents the amount received on inhouse trainings during the year 2021/22.		
<b>33. SALES OF PUBLICATIONS</b>		
Sales of books	<u>26,021</u>	<u>15,384</u>
<b>34. MISCELLANEOUS REVENUE</b>		
Miscellaneous revenues	<u>35,431</u>	<u>23,509</u>
For cash flow presentation, this represents the amount received from sales of books during the year 2021/22.		
<b>35. RENT REVENUE</b>		
Rent collection	<u>49,249</u>	<u>64,098</u>
For cash flow presentation, this represents the amount received from rent of rooms during the year 2021/22.		
<b>36. DONATION REVENUE</b>		
Donation collection	<u>107,000</u>	<u>86,500</u>
This represents the amount received from well-wishers who support NBAA activities during the year 2021/22.		

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

	2022 TZS '000	2021 TZS '000
<b>37. CONSULTANCY EXPENSES</b>		
Traveling and accommodation	57,302	28,644
Venue hiring	8,296	-
Honorarium and incentives	161,710	40,620
Consultancy	27,167	-
Meal allowance	15,149	-
Printing, postages, and telephone	6,414	2,351
Fuel	2,776	3,952
	<u>278,814</u>	<u>75,567</u>

For cash flow presentation, this represents the actual expenditure on the consultancy services during the year 2021/22.

<b>38. EXAMINATION EXPENSES</b>		
Traveling and accommodation	524,697	523,329
Venue hiring and exam assembly	516,328	540,998
Printing and stationery	154,857	215,085
Examination setting and moderation	103,479	99,379
Marking and moderation of exams	323,791	362,531
Wages/honorarium and incentives	129,447	204,520
Invigilation	79,328	63,470
Meal allowance / expenses	124,483	142,490
Extra duty allowance	347,180	443,893
Staff welfare and medical	196,061	214,760
NBAA students prize	11,502	5,160
Postages and telephone	10	1,366
Vehicle fuel	5,415	10,715
	<u>2,516,578</u>	<u>2,827,696</u>

These represents the actual expenditure on the examination activities during the year 2021/22.

<b>39. SEMINAR EXPENSES</b>		
Traveling and accommodation	107,824	105,970
Venue hiring	1,646,178	1,608,667
Wages/honorarium and incentives	488,154	282,996
Printing and stationery	265,346	231,228
Telephone and postages	2,820	3,191
Advertisement and entertainment	7,705	4,911
Prizes to other institutions	-	2,917
Fuel	5,052	7,803
	<u>2,523,079</u>	<u>2,247,683</u>

These represents the actual expenditure on seminar and workshop activities during the year 2021/22.

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

	2022	2021
	TZS '000	TZS '000
<b>40. EMPLOYMENT COSTS</b>		
Salaries and wages	287,032	459,530
Staff telephone, furniture and other benefits	196,300	295,154
Staff training	51,534	74,276
Staff medical and pension contribution	193,815	182,713
Staff leave passage	243,027	239,265
Gratuity for contractual staff	-	11,738
Staff uniforms and staff welfare	<u>1,907,839</u>	<u>1,797,395</u>
	<u><b>2,879,547</b></u>	<u><b>3,060,071</b></u>

For the purpose of cash flow presentation, this represents the actual expenditure on staff costs during the year 2021/22.

<b>41. ADMINISTRATIVE EXPENSES</b>		
Directors' fees	38,975	59,250
Board meeting expenses	276,113	153,746
Postages and telephones	1,344	1,382
Vehicle running expenses	115,180	107,386
Traveling and accommodation	403,754	507,168
Facilitation expenses	16,571	19,332
Printing, publications, and stationery	126,156	136,600
Subscriptions and periodicals	137,987	94,728
Advertising	10,743	12,702
Promotional materials	21,549	12,850
Audit fees	68,700	64,664
AQR Consultancy Cost	66,840	66,840
Tender valuation	27,076	11,560
Honoraria and incentives for special task	993,821	827,904
Office expenses	72,778	61,620
Hall/venue hiring	224,196	328,863
Office rent	69,763	69,763
Land rent and property taxes	10,288	10,288
Electricity and water	71,849	70,148
Repairs and maintenance	30,957	3,897
Insurance	28,633	27,097
Disbursement to treasurer	100,000	100,000
	<u><b>2,913,273</b></u>	<u><b>2,747,788</b></u>

For cash flow presentation, this represents the actual expenditure on administrative activities during the year 2021/22.

<b>42. OTHER EXPENSES</b>		
Other expenses	<u>13,131</u>	<u>11,979</u>
These represents the actual expenditure on other expenses including bank charges and other miscellaneous expenses during the year 2021/22.		

**43. RELATED PARTY TRANSACTIONS AND BALANCES**

**Identification of related parties**

Parties are considered to be related if one party has the ability to control the other party and exercise significant influence over the party in making financial and operational decisions. In the normal course of business, a number of transactions are entered into with related parties. The NBAA's related parties are members of the Governing Board, members of Senior Management, Ministry of Finance and the APC Investment Centre.

**Key management personnel**

Key management personnel as defined by IPSAS 20, Related Party Disclosures are all directors or members of the governing body of the entity; and other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting entity. Below are transactions and balances held with related parties as at the reporting date:

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

	2022 TZS '000	2021 TZS '000
<b>Transactions</b>		
(a) Directors' fees	<u>38,975</u>	<u>59,250</u>
(b) Key management personnel Short term benefits	<u>929,915</u>	<u>929,915</u>
(c) Ministry of Finance (Salary Subvention Fund)	<u>1,937,631</u>	<u>1,762,037</u>
(d) Transactions with APC Investment Centre		
Conference and venue hiring	1,413,302	2,037,775
Additional investment	<u>1,464,227</u>	<u>1,482,786</u>
	<u>2,877,529</u>	<u>3,520,561</u>
<b>Balance</b>		
(a) Loan to APC Investment for Construction of Bunju Centre		
As at 1 July	22,026,889	28,809,998
Net loan movement	<u>(660,864)</u>	<u>(6,783,109)</u>
As at 30 June	<u>21,366,025</u>	<u>22,026,889</u>
(b) Balances with related parties		
Loans/advances to key management personnel		
At the beginning of the year	446,715	532,441
Loans given	109,842	133,706
Repayments	<u>(190,493)</u>	<u>(219,432)</u>
Loans/advances outstanding balances (Note 8)	<u>366,064</u>	<u>446,715</u>

The loans to related parties from revolving fund are subject to interest and have specific dates of repayment. The loans to related parties from revolving fund are subject to market interest rate of 7.85% per annum.

**44. FINANCIAL INSTRUMENTS**

**44.1 Fair value of financial instruments**

Set out below is a comparison by class of the carrying amounts and fair values of the Board's financial instruments.

	Carrying amounts	
	2022 TZS'000	2021 TZS'000
<b>Financial assets</b>		
Receivables from exchange transactions	1,997,578	2,024,794
Loan receivable from APC Investment Centre	21,366,025	22,026,888
Cash and cash equivalents	1,126,968	334,393
Financial assets	<u>76,300</u>	<u>76,300</u>
	<u>24,566,871</u>	<u>24,462,376</u>
<b>Financial liabilities</b>		
Trade and other payables	408,591	336,357
Provision for liabilities and charges	122,125	112,117

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS (NBAA)

	Carrying amounts	
	2022	2021
Borrowings	21,366,025	22,026,889
	21,896,741	22,475,363

44.2 Financial instruments by category

	Loans and receivables TZS '000	Available-for- sale financial assets TZS '000	Total TZS '000
<b>As at 30 June 2022</b>			
<b>Financial assets</b>			
Receivable from exchange transactions	1,997,578	-	1,997,578
Loan receivables from APC Investment Centre	21,366,025	-	21,366,025
Cash and cash equivalents	1,126,968	-	1,126,968
Financial assets	-	76,300	76,300
	24,490,571	76,300	24,566,871

	Held at amortized cost TZS '000	Total TZS '000
<b>As at 30 June 2022</b>		
<b>Financial liabilities</b>		
Payables from exchange transactions	408,591	408,591
Provision for liabilities and charges	122,125	122,125
Borrowings -NSSF Loan	21,366,025	21,366,025
	21,896,741	21,896,741

	Loans and receivables TZS '000	Available-for- sale financial assets TZS '000	Total TZS '000
<b>As at 30 June 2021</b>			
<b>Financial assets</b>			
Receivable from exchange transactions	2,024,794	-	2,024,794
Loan receivables from APC Investment Centre	22,026,889	-	22,026,889
Cash and cash equivalents	334,393	-	334,393
Financial assets	-	76,300	76,300
	24,386,076	76,300	24,462,376

	Held at amortized cost TZS '000	Total TZS '000
<b>As at 30 June, 2021</b>		
<b>Financial liabilities</b>		
Payables from exchange transactions	336,357	336,357

---

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS (NBAA)

---

	Carrying amounts	
	2022	2021
Provision for liabilities and charges	112,118	112,118
Borrowings - NSSF Loan	<u>22,026,889</u>	<u>22,026,889</u>
	<u>22,475,364</u>	<u>22,475,364</u>

#### 44.3 Fair value hierarchy and measurement

The table below shows an analysis of the financial instruments at a fair value by level of the fair value hierarchy. The financial instruments are grouped into levels 1 to 3 based on the degree to which fair value is observable.

(i) Level 1: Fair value measurements are those derived from quoted prices (unadjusted) active in active markets for identical assets or liabilities.

(ii) Level 2: Fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (i.e. as a price) or indirectly (i.e., derived from prices); and

(iii) Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are based on observable market data (unobservable inputs).

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS (NBAA)

	Level 1 TZS '000	Level 2 TZS '000	Level 3 TZS '000	Total TZS '000
<b>As at 30<sup>th</sup> June, 2022</b>				
<b>Financial assets</b>				
	-	1,997,578	-	1,997,578
Loan receivables from APC	-	21,366,025	-	21,366,025
Investment				
Cash and cash equivalents	-	1,126,968	-	1,126,968
Financial assets	76,300	-	-	76,300
	<u>76,300</u>	<u>24,490,571</u>	<u>-</u>	<u>24,566,871</u>
<b>Financial liabilities</b>				
Payables from exchange transactions	-	408,591	-	408,591
Provision for liabilities and charges	-	122,125	-	122,125
Borrowings -NSSF Loan	-	21,366,025	-	21,366,025
	-	<u>21,896,741</u>	-	<u>21,896,741</u>
<b>As at 30<sup>th</sup> June, 2021</b>				
<b>Financial assets</b>				
Receivables from exchange transaction	-	2,024,794	-	2,024,794
Loan receivables from APC	-	22,026,889	-	22,026,889
Investment				
Cash and cash equivalents	-	334,393	-	334,393
Financial assets	76,300	-	-	76,300
	<u>76,300</u>	<u>24,386,076</u>	<u>-</u>	<u>24,462,376</u>
<b>Financial liabilities</b>				
Payables from exchange transactions	-	336,357	-	336,357
Provision for liabilities and charges	-	112,118	-	112,118
Borrowings -NSSF Loan	-	22,026,889	-	22,026,889
	-	<u>22,475,364</u>	-	<u>22,475,364</u>

#### 45. FINANCIAL RISKS

Risk is an inherent feature of the activities of any entity. NBAA endeavours to manage risk by having in place appropriate functional structures, systems and procedures. These structures, systems and procedures evolve continuously in response to changes in the environment in which the Authority operates. The following are the main types of the risks the Board is exposed to in the course of executing its operations:

- Credit risk
- Currency risk
- Liquidity risk

##### 45.1 Credit risk

Credit risk is the risk of financial loss to NBAA if counterparties to financial instruments fail to meet their contractual obligations. The risk principally arises from the NBAA's investments, trade and other receivables as well as cash and cash equivalents.

NBAA does not regard there to be any significant concentration of credit risk. NBAA mitigates the credit risk by maintaining cash and cash equivalents with reputable financial institutions; and recovering staff debts in terms of the applicable regulations directly from the employee's salary and/or pension. NBAA further limits its exposure to credit risk by investing with only reputable companies listed on stock exchange.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates. The amount that best represents the NBAA's maximum exposure to credit risk at 30 June 2022 and 30 June 2021 is the carrying value of its financial assets in the statement of financial position.

No collateral is held for any of these assets. NBAA does not grade the credit quality of receivables. The carrying amount of the financial assets represents the maximum credit exposure. As at 30 June 2022, the maximum exposure to credit risk was as follows:

	Neither past due nor impaired	Past due but not impaired	Past due and impaired	Total
	TZS'000	TZS'000	TZS'000	TZS'000
<b>As at 30<sup>th</sup> June, 2022</b>				
Receivables from exchange transaction	1,997,578	-	175,695	2,173,273
Loan receivable from APC	21,366,025	-	-	21,366,025
Cash and cash equivalents	1,126,968	-	-	1,126,968
Financial assets	76,300	-	-	76,300
<b>Maximum exposure to credit risk</b>	<b><u>24,566,871</u></b>	<b><u>-</u></b>	<b><u>175,695</u></b>	<b><u>24,742,566</u></b>
<b>As at 30<sup>th</sup> June, 2021</b>				
Receivables from exchange transaction	2,024,794	-	175,695	2,200,489
Loan receivable from APC	22,026,889	-	-	22,026,889

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS (NBAA)

	Neither past due nor impaired	Past due but not impair ed	Past due and impaired	Total
	TZS'000	TZS'000	TZS'000	TZS'000
Cash and cash equivalents	334,393	-	-	334,393
Financial assets	76,300	-	-	76,300
<b>Maximum exposure to credit risk</b>	<u>24,462,376</u>	<u>-</u>	<u>175,695</u>	<u>24,638,071</u>

#### 45.2 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. NBAA's operations utilize various foreign currencies and consequently, are exposed to exchange rate fluctuations that have an impact on cash flows and financing activities. Currency exposure arising from liabilities denominated in foreign currencies is managed primarily through the holding of bank balances in the relevant foreign currencies and accepting the local currency invoices only. The loss on foreign currency fluctuation during the year arose from the translation of bank balances. The foreign currencies bank accounts have been disclosed.

#### 45.3 Liquidity risk

Liquidity risk is the risk that NBAA faces by not having adequate funds to settle day to day obligations as they fall due. NBAA has a prudent liquidity risk management through which it maintains sufficient cash to cover committed credit facilities received, working capital as well as capital project requirements. Liquidity risk management by the Board includes proper fund planning and close monitoring by the finance department. As at 30 June 2022, the Board had a positive liquidity gap of TZS 2.67 billion (2021: 1.99 billion). The liquidity gap has improved following restructuring of the NSSF loan through which the repayment terms have extended to another 20 years up to 2040.

The table below is an undiscounted cash flow analysis for both financial assets and financial liabilities that are presented in the statements of financial position according to their contractual maturities at the statement of financial position date.

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS (NBAA)

	Contractual obligation				Total TZS'000
	0-3 months TZS'000	3-6 months TZS'000	6-12 months TZS'000	Above 12 months TZS'000	
<b>As at 30 June, 2022</b>					
<b>Financial assets</b>					
Receivables from exchange transaction	1,997,578	-	-	-	1,997,578
Loan receivable from APC Investment	-	401,241	401,241	20,563,543	21,366,025
Cash and cash equivalents	1,126,968	-	-	-	1,126,968
Financial assets	-	-	-	76,300	76,300
	<u>3,124,546</u>	<u>401,241</u>	<u>401,241</u>	<u>20,639,843</u>	<u>24,566,871</u>
<b>Financial liabilities</b>					
Payables from exchange transaction	408,591	-	-	-	408,591
Provision for liabilities and charges	-	-	-	122,125	122,125
Borrowings - NSSF Loan	-	401,241	401,241	20,563,543	21,366,025
	<u>408,591</u>	<u>401,241</u>	<u>401,241</u>	<u>20,685,668</u>	<u>21,896,741</u>
<b>Liquidity risk gap</b>	<u>2,715,955</u>	<u>-</u>	<u>-</u>	<u>(45,825)</u>	<u>2,670,130</u>
<b>As at 30<sup>th</sup> June, 2021</b>					
<b>Financial assets</b>					
Receivables from exchange transaction	2,024,794	-	-	-	2,024,794
Loan receivable from APC Investment	-	401,241	401,242	21,224,406	22,026,889
Cash and cash equivalents	334,393	-	-	-	334,393
Financial assets	-	-	-	76,300	76,300
	<u>2,359,187</u>	<u>401,241</u>	<u>401,242</u>	<u>21,300,706</u>	<u>24,462,376</u>
<b>Financial liabilities</b>					
Payables from exchange transaction	336,357	-	-	-	336,357
Provision for liabilities and charges	-	-	-	112,118	112,118
Borrowings - NSSF Loan	-	401,241	401,242	21,224,406	22,026,899
	<u>1,005,823</u>	<u>401,241</u>	<u>401,242</u>	<u>21,336,524</u>	<u>22,475,364</u>
<b>Liquidity risk gap</b>	<u>2,022,830</u>	<u>-</u>	<u>-</u>	<u>(35,818)</u>	<u>1,987,012</u>

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

**46. EMPLOYEE BENEFITS**

NBAA has a defined contribution plan for its employees with the Public Services Social Security Fund (PSSSF), under which the employees contribute 5% of their monthly salary and 15% is contributed by the NBAA.

	2022 TZS '000	2021 TZS '000
Employer's contribution	<u>245,164</u>	<u>228,018</u>

**47. CAPITAL MAINTENANCE**

The capital of The Board includes capital grant, development fund, revolving fund, reserves and retained surplus. Capital is maintained through Parliamentary allocations budget to the Board through the Ministry of Finance and Planning.

	2022 TZS '000	2021 TZS '000
The capital balance stood at:		
Accumulated surplus	14,931,630	14,030,453
Contribution from the Government (Note 33)	<u>6,568,922</u>	<u>6,568,922</u>
As at 30 June	<u>21,500,552</u>	<u>20,599,375</u>

**48. CONTRIBUTION FROM THE GOVERNMENT**

Contribution from the Government	<u>6,568,922</u>	<u>6,568,922</u>
----------------------------------	------------------	------------------

Contribution from the Government amounting to TZS 6,569 million (2021: TZS 6,569 million) is made up of the initial contributions made by the Government in form of assets, i.e., land and buildings as well as monetary contribution in establishing the Board.

**49. SPECIAL RESERVE**

The Board set up a Revolving Fund Account since the 1994/1995 financial year for the purpose of extending loans to entitled staff for purchase of motor vehicles, household items and construction of houses. Loans are subject to 7.85% (2021: 7.85%) interest. Interest generated will be accumulated to increase the revolving fund.

	2022 TZS '000	2021 TZS '000
The special reserve balance stood at:		
At the beginning of the year	1,827,001	1,733,165
Interest received - revolving fund	126,747	121,691
Under charged of Bank Charges	<u>-</u>	<u>(27,855)</u>
	<u>1,953,748</u>	<u>1,827,001</u>

**50. COMMITMENTS AND CONTINGENCIES**

**50.1 Capital commitments**

As at the reporting date, NBAA had capital commitment amounting to TZS 98 million (2021: 109 million). The commitment relates to the construction contract with National Housing Corporation for rehabilitation of Mhasibu House for the year 2021 and acquisition and installation of e-learning infrastructure for the year 2022.

The Board also has commitment to repurchase PSSSF equity at APC Investment Centre as result of the joint venture review which require NBAA to repurchase PSSSF equity as per repayment schedule which show payment of TZS 677,625,409 each year and this amount includes principal equity amount and premium. As at reporting date the Board has commitment amounting to TZS 9,604,595,231 as shown on Joint venture Agreement Purchase schedule.

**50.2 Operating lease commitments**

**a. Leases as lessee**

	2022 TZS '000	2021 TZS '000
Future minimum lease payment under operating lease		
Within one year	69,763	69,763
Later than one year and not later than five years	69,763	69,763
	139,526	139,526

Operating lease commitments relates to rental of NBAA Dodoma offices. Minimum lease payment recognized as an expense during the year amount to TZS 69.8 million (2021: TZS 69.8 million). Leased premises are contracted for the one year, with renewal options.

**b. c. Leases as lessor**

	2022 TZS '000	2021 TZS '000
Future minimum lease receipt under operating leases		
Within one year	87,500	78,447

Operating lease commitments relates to rental of NBAA office space to other organizations under operating leases. Property rental income earned during the year was TZS 87.5 million (2021: TZS 78.4 million).

**50.3 Contingent liabilities**

As at the year ended 30 June 2022, NBAA had no pending circumstance which could necessitate disclosure of the contingent liability (2021: Nil).

**51. EVENTS AFTER THE REPORTING PERIOD**

Subsequent after year end i.e., on 27<sup>th</sup> July 2022, The Government revoke ownership of Plot number 1191 and 1192 Block AA Chinyonyo Dodoma from NBAA for public interest (Standard Gauge Railway (SGR) Construction). The government through City Council reallocate NBAA other plots 40 and 41 Block D Mbuyuni Kizota Dodoma through letter number HJD/L.20/1/4 dated 12<sup>nd</sup> August 2022 at a cost of TZS 386,000,000. However as at the date of this report title deed to the new plot had not been provided.

There were no material events, adjusting or non-adjusting that had occurred after the reporting date and thus requiring adjustment or disclosure in the financial statements.

**52. SEGMENT REPORTING**

These financials statements do not include segment reporting. From the view of the Governing Board, NBAA does not engage in activities that generate multiple sources of revenue which would require separate reports for the purpose of evaluating the NBAA's performance and for making decisions about the future allocation of resources.

**53. RESTATED COMPARATIVE FIGURES FOR PREVIOUS YEARS**

**LOAN from NSSF**

During the year 2022, loan from NSSF repayment schedule was reviewed, as a result, an error was noted in the repayment schedule previously used to service the loan from NSSF such that accumulated interest on the loan from NSSF as of 30 June 2021 was overstated by TZS 4,788,972,418, out of this TZS 228,046,306 relates to overstatement of interest expenses for year 2020/2021 while TZS 4,560,926,113 relates with other previous years. This error had led to overstatement of Loan from NBAA and understatement of accumulated deficit by TZS 4,788,972,418.

**Loan to APC Investment Centre**

Loan to APC Investment Centre was also reviewed, as a result, an error in the loan repayment schedule that was previously used to service the loan to APC investment Centre was noted such that accumulated interest on the loan to APC Investment Centre as of 30 June 2021 was overstated by TZS 4,788,972,418, out of this TZS 228,046,306 relates to overstatement of interest income for year 2020/2021 while TZS 4,560,926,113 relates with other previous years. This error had led to overstatement of loan to APC Investment Centre and understatement of accumulated deficit by TZS 4,788,972,418.

**Special reserve fund**

An error in recording bank charges relating to revolving fund was also noted. Bank charges for revolving fund was used to be expensed instead of to be accounted as a decrease of revolving fund. Accumulated bank charges that had been accounted as expenses amounts to TZS 27,854,805 out of which TZS 414,278 related to year 2020/21; as such special reserve

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

was overstated by TZS 27,854,805 and accumulated deficit was understated by the same amount; bank charges for year 2022/21 was overstated by TZS 414,278.

**Depreciation of assets**

During the year ended 30 June 2022, the Board reviewed the useful life of some assets. The review resulted into the accounting of error due to inappropriate estimates of the assets useful life at the time when the assets were first recognized. The error was due to insufficient use of the available information about the economic lives of assets as such the assets were deemed to have fully depreciated.

Management has reassessed the use full lives and residual values of Property and Equipment to reflect the remaining service potential of assets. The reassessment resulted into increase in useful lives of assets as indicated below.

S/n	Asset Category	Previous Useful Life Years	Revised Useful Life Years
1	Office Furniture	25	30
2	Households Furniture	25	30
3	Motor Vehicle	15	20
4	Office Equipment	10	12

The effects of adjustments in the financial statements are as follows:

	Previously Stated amount TZS '000	Adjustments TZS'000	Restated amount TZS'000
<b>Statements of Financial Position</b>			
<b>Assets</b>			
Loan to APC Investment Centre	26,815,861	(4,788,972)	22,026,889
Property and equipment	3,290,740	356,317	3,647,057
<b>Liabilities</b>			
Loan from NSSF	26,815,861	(4,788,972)	22,026,889
<b>Equity</b>			
Accumulated deficit/surplus	13,646,283	384,170	14,030,453
Special reserve	1,854,856	(27,855)	1,827,001
<b>Statement of Comprehensive income</b>			
Interest income	1,376,126	(228,046)	1,148,080
Interest expense	1,376,126	(228,046)	1,148,080
Bank charges	11,979	(414)	11,565

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

	2022 TZS '000
<b>5 BUDGET RECONCILIATION</b>	
Surplus per statement of financial performance	901,177
Surplus per budget	493,430
<b>**Difference</b>	<u>407,747</u>

The accompanying financial statements have been presented on accrual basis of accounting, while the budget has been prepared using cash basis of accounting. The difference between the budget performance and statement of financial performance is made up the non-cash transaction such as amortization of capital grant, and depreciation charge during the year and finance costs which were not budgeted. Reconciliation of the difference is shown below:

	2022 TZS '000
<b>**Reconciliation of the difference</b>	
Interest income from APC Investment Centre (Note 21)	1,076,324
Depreciation charge for the year (Note 13)	(339,772)
Share of loss in joint venture (12)	(1,187,075)
Finance costs (Note 26)	(1,076,324)
Loss on disposal of asset (Note 25)	10,624
Amortization of intangible assets and pre-operating lease (Note 25)	(171,961)
Purchase of assets (Budget Vs Actual)	281,119
Repayment of the NSSF loan (Note 18)	1,737,188
Purchase of PSSSF's equity interest	677,624
Loan repayment from APC Investment Centre (Note 10)	(600,000)
<b>Total</b>	<u>407,747</u>

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS (NBAA)

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2022

55. EXPLANATIONS ON DIFFERENCES BETWEEN BUDGET AND ACTUAL AMOUNTS

	Original	Final			
	Budget	Budget	Actual	Difference	
	TZS 000	TZS 000	TZS 000	TZS 000	Explanations of the Variance
<b>Receipts</b>					
Ministry of Finance (Subvention and Development Fund)	1,677,840	1,677,840	1,634,428	43,412	Decrease was caused by un replaced retirees, appointment to other institution and transfers.
Professional fees	4,453,849	4,453,849	3,577,343	876,506	The decrease was attributed by uncollected supervision fee and decrease in candidate and members registration fee and decrease in annual subscription fee and penalties.
Examination fee	4,237,090	4,237,090	4,028,383	208,707	Decrease number of students registered for examination than number of students expected and budgeted for the year ended June 2022 from 15,840 to 12,454. Also, the decreased number of Student for IPSAS Diploma Course and postponement of IPSAS Certificate Course.
Seminar/workshop fees	6,370,710	6,370,710	5,459,850	910,860	Decrease in number of members attending seminars and workshop from 10840 participant in plan to 10168.

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS (NBAA)

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2022

	Original	Final	Actual	Difference	
	Budget	Budget	Actual	Difference	
	TZS 000	TZS 000	TZS 000	TZS 000	Explanations of the Variance
Fee from consultancy services	210,000	210,000	316,848	(106,848)	The increase in revenues generated from consultancy as the result of increase in number and values of consultancy services obtained during the year under review specific special training to National Audit Office and Ministry of Finance Zanzibar.
Sale of publications	25,000	25,000	26,021	(1,021)	Increase in number of books sold during the year.
Miscellaneous revenue	22,360	22,360	35,431	(13,071)	Increase in collection from unexpected services than expected and budgeted for the year. The additional income resulted by the increase in collections from transcript and convocation fee.
Dividend received	2,510	2,510	12,735	(10,225)	The increase in collection was attributed by the increase in collection of previous years dividend.
Rents	40,000	40,000	49,247	(9,247)	Increase of rental due increase of occupation by existing tenants.
Donation income	107,000	107,000	107,000	-	Increase in income from well-wishers as donation

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS (NBAA)

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2022

	Original	Final	Actual	Difference	
	Budget	Budget	Actual	Difference	
	TZS 000	TZS 000	TZS 000	TZS 000	Explanations of the Variance
Repayment of loan by APC Investment	600,000	600,000	600,000	-	APC Management increased their contribution in order to attain repayment of TZS 1.737 billion as stated in our restructured repayment schedule.
<b>Payments</b>	<b>17,746,359</b>	<b>17,746,359</b>	<b>15,847,286</b>	<b>1,899,073</b>	
Operating expenses	(6,513,967)	(6,513,967)	(5,312,836)	(1,201,131)	Decrease in number of members attending seminars and workshop from 10840 participant in plan to 10168 and Decrease number of students registered for examination than number of students expected and budgeted for the year ended June 2022 from 15,840 to 12,454. decrease number of IPSAS Candidates and launching of certificate was postponed to next financial year 2022/2023 to allow improvement of training infrastructure (Online trainings).
Employment costs	(4,630,577)	(4,630,577)	(4,408,730)	(221,847)	Decrease in costs caused by decrease in incentive driven events (up country treatments), changing ways of doing work due to technology (Acting Allowances), outside traveling allowances and other.

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS (NBAA)

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2022

	Original	Final			
	Budget	Budget	Actual	Difference	
	TZS 000	TZS 000	TZS 000	TZS 000	Explanations of the Variance
Administrative expenses	(3,717,402)	(3,717,402)	(2,923,227)	(794,175)	The decrease was attributed by decrease in international meetings attended physically due to COVID 19, few assets was serviced and repaired due default liability period after rehabilitation of Mhasibu house, unpurchased of Library books caused by closure of library due to rehabilitation, decrease in number of extra hours worked as the result of new technology deployed and change mode of performing some activities.
Other expenses	(14,500)	(14,500)	(13,131)	(1,369)	Decrease in unexpected costs from bank transaction charges and other costs.
Repayment of NSSF Loan	(1,737,188)	(1,737,188)	(1,737,188)	-	N/A
Purchase of PSSSF Equity interest	(677,625)	(677,625)	(677,625)	-	N/A
Purchase of assets	(455,100)	(455,100)	(280,119)	(174,981)	The decrease in costs was attributed by the overlapping of activities to the first quarter of financial year 2022/2023.
	(17,746,359)	(17,746,359)	(15,353,356)	(2,393,003)	
Surplus	-	-	493,930	(493,930)	

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**56. COMPERATIVE FIGURES**

Whenever necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.