



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



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

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL AND COMPLIANCE AUDIT FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2024**

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AR/PA/NBAA/2023/24

About the National Audit Office

Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 (1) of the Public Audit Act, Cap. 418.



Independence and objectivity

We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.



Professional competence

We deliver high-quality audit services based on appropriate professional knowledge, skills, and best practices

Integrity

We observe and maintain high ethical standards and rules of law in the delivery of audit services.

Creativity and Innovation

We encourage, create, and innovate value-adding ideas for the improvement of audit services.

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TABLE OF CONTENTS

LIST OF TABLES	iii
ABBREVIATIONS	iv
1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL	1
1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS	1
1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS	4
2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE	6
3.0 STATEMENT OF RESPONSIBILITIES OF GOVERNING BOARD	52
4.0 DECLARATION OF THE HEAD OF FINANCE	53
5.0 FINANCIAL STATEMENTS	54
6.0 NOTE TO THE FINANCIAL STATEMENTS	59

LIST OF TABLES

Table 1 Achievements of the NBAA for the year ended 30 June 2024	11
Table 2 Composition of the Governing Board.....	21
Table 3 Governing Board meetings attendance	27
Table 4 Members of the Finance and Human Resources Committee as at 30 June 2024	30
Table 5 Members of the Technical Services Committee as at 30 June 2024.....	32
Table 6 Members of the Education and Publications Committee as at 30 June 2024	33
Table 7: Members of the Membership, Ethics and Compliance Committee as at 30 June 2024	35
Table 8 Members of the Public Sector Committee as at 30 June 2024	36
Table 9 Members of the Audit Committee as at 30 June 2024.....	37
Table 10 Gender Parity	47
Table 11 Transaction relating rendered by NBAA to government owned entities	105
Table 12 Transactions relating to services received by NBAA from government owned entities	107
Table 13 Subvention received by the Board from the Government through ministry	109

Abbreviations

AAAB	Accountants and Auditors Appeal Board
ADCA	Advanced Diploma in Computer Applications
AFROSA	African Organization of Supreme Audit Institutions
AML	Ant-Money Laundering
APC	Accountancy Professional Centre
AQR	Audit Quality Review
BOA	Bank of Africa
CAG	Controller and Auditor General
CAP	Chapter
CCE	Centre for Continuing Education
CFT	Counter Financing of Terrorism
CP	Consultation Paper
CPA	Certified Public Accountant
CPE	Continuing Professional Education
CPSP	Certified Procurement and Supplies Professional
DAF	Department of Accounting and Finance
DPRS	Director - Directorate of Research and Postgraduate Studies
DSE	Dar es Salaam Stock Exchange
DSE	Dar es Salaam Stock Exchange
EIR	Effective Interest Rate
ERB	Engineers Registration Board
ERMS	Enterprise Resource Management System
ESAMI	East and Southern Africa Management Institute
ESG	Environmental, Social and Governance
FIFO	First-In-First-Out
FCPA	Forensic Certified Public Accountant
GEPF	Government Employees Pension Fund
GEPG	Government Electronic Payment Gateway
ICT	Information Computer Technology
IDM	Institute of Development Management
IFAC	International Federation of Accountants
IFM	Institute of Finance Management
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISSAIs	International Standard of Supreme Audit Institutions
LLB	Bachelor of Law
MBA	Master's in Business Administration

MEMS	Members and Examinations Management System
MPM	Master of Project Management
Msc.	Masters of Science
NACTE	National Council for Technical Education
NBAA	National Board of Accountants and Auditors
NBMM	National Board of Material Management
NSSF	National Social Security Fund
OCAM	Ordem dos Contabilistas e Auditores de Mocambique
PAA	Public Audit Act, 2008
PAFA	Pan African Federation of Accountants
PGD	Post-graduate Diploma
PhD	Doctor of Philosophy
PLC	Public Limited Company
PSPTB	Procurement and Supplies and Technician Board
PSSSF	Public Service Social Security Fund
R.E	Revised Edition
RPG	Reporting Sustainability Program
PAYE	Pay As You Earn
SUZA	State University of Zanzibar
TANESCO	Tanzania Electric Supply Company Limited
TARURA	Tanzania Rural and Urban Roads Agency
TEA	Tanzania Education Authority
TPDC	Tanzania Petroleum Development Corporations
TRA	Tanzania Revenue Authority
TZS	Tanzanian Shillings
UDSM	University of Dar es Salaam
UK	United Kingdom
WIP	Work In Progress
ZIAAT	Zanzibar Institute of Accountants, Auditors and Tax Consultants
ZIPA	Zanzibar Investment Promotion Agency

BOARD INFORMATION FOR THE YEAR ENDED 30 JUNE 2024

PRINCIPAL PLACE OF BUSINESS:

DODOMA OFFICE

The National Audit Office,
Audit House,
8th Floor,
Mahakama 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,
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.

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairman of the Governing Board,
National Board of Accountants and Auditors,
Audit House, Mahakama Road,
P.O. Box 1271,
Dodoma, Tanzania.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of the National Board of Accountants and Auditors (NBAA), which comprise the statement of financial position as at 30 June 2024, the statement of financial performance, statement of changes in net assets, 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 The National Board of Accountants and Auditors (NBAA) as at 30 June 2024, 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 the manner required by the Public Finance Act, Cap. 348.

Basis for Opinion

I conducted my audit in accordance with the 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 The National Board of Accountants and Auditors 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. I have determined that there are no key audit matters to communicate in my report.

Other Information

Management is responsible for the other information. The other information comprises the Report by those charged with governance, Statement of Responsibilities by those charged with governance and 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 a 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 controls 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; and
- 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, 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 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, Cap 410 [R.E 2022] 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

1.2.1 Compliance with the Public Procurement laws

Subject matter: Compliance audit on procurement of works, goods, and services

I performed a compliance audit on the procurement of works, goods, and services in the National Board of Accountants and Auditors (NBAA) for the financial year 2023/24 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that procurement of goods, works and services of the National Board of Accountants and Auditors (NBAA) is generally in compliance with the requirements of the Public Procurement laws in Tanzania.

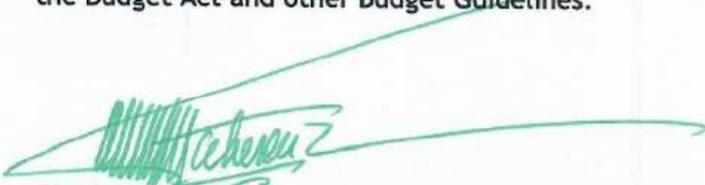
1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in the National Board of Accountants and Auditors (NBAA) for the financial year 2023/24 as per the Budget Act and other Budget Guidelines.

Conclusion

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



Charles E. Kichere,
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2025



2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2024

2.1 INTRODUCTION

The Governing Board submits their report together with the financial statements for the financial year ended 30 June 2024, 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. 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 the 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 six (6) basic corporate core values considered to be specific and related to the core business of the Board which can be memorized through the acronym PITICA. 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 - The Board shall act professionally while delivering its services and discharging its mandatory functions;
- Integrity - The Board shall endeavour to act in honest and ethical manner in delivering services to its stakeholders;
- Teamwork - The Board shall continue promoting cooperation and participatory management in developing the accountancy profession;
- Innovation - The Board shall proactively promote organizational culture that addresses changing in technology, environment and encourage creativity and continuous improvements in service delivery channels and processes;
- Customer focus - The Board shall treat customers and colleagues with courtesy and be responsive, timely and proactive to meet their needs (check customer focused from the preamble in marketing policy; and,
- Accountability - Taking ownership and responsibility for all actions and results of implementing the plan/decisions.

2.6 PRINCIPAL ACTIVITIES

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

- To promote and provide opportunities and facilities for the study of, and for the training in, accountancy, auditing and allied subjects;
- To conduct examinations and to grant diplomas, certificates and other awards of the Board in accountancy, auditing and allied subjects;
- To sponsor, arrange and provide facilities for conferences, seminars, discussions and consultations on matters relating to accountancy and allied subjects;
- To arrange for the publication and general dissemination of materials produced in connection with the work and activities of the Board;
- To stipulate accountancy or auditing standards and guidelines as appropriate and to ensure the compliance of the standards and guidelines by the subjects;
- To maintain a register of Certified Public Accountants in Public Practice, Certified Public Accountants, Graduate Accountants, Accounting Technicians and practising firms;
- To consider and decide upon applications for registration and to effect registration of practising accountants, accountants, Accounting Technicians and practising firms;
- To regulate the activities and conduct of Certified Public Accountants in Public Practice, Certified Public Accountants, Graduate Accountants, Accounting Technicians and practising firms and to evaluate foreign accountancy qualifications for exemption from parts of the Board's examinations;
- To formulate the appropriate National Accountancy Scheme and syllabi and oversee that Accountancy syllabi in training institutions throughout the country are in accordance with the National Accountancy Scheme and syllabi and to evaluate internal institutional accountancy qualifications for exemption from part of the Board's examination; and to carry out such other functions after consultation with the Minister.

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. The board made analysis on the external environment factor that may affect the achieving its mandated function and strategic plan annually during preparation of the annual plan and budgeting by addressing challenges and opportunities. The analysis focused on the political, social, technological, environmental and legal. By conducting annually analysis made the Board to be proactive by addressing the impacts before it affects its performance. For the year under review, no major impact was noted and the Board managed to perform its activities as planned except for a few activities which were not completed due to the nature of the activity. The detailed analysis was as follows;

Political factors:

The Board conducted assessment of the political environment and noted that no risks was identified as the Board operated under the stable politically environment of Tanzania. Also, no political contribution was done by the Board and no political influences was noted.

Economic Factors:

The Board conducted the economic factors especially market factors that may affect the operation of the Board such as inflation rate, exchange rate, interest rate and nothing has been come into the attention of the Board that need special attention.

Social factors:

The Board conducted assessment demographic changes in areas of candidate's registration, and membership and noted that need attention. Also, the Board involved in corporate social responsibilities such as contribution to treatment of cancer.

Technological factors:

The Board have made substantial achievements in technological advancement to improve our services to customer/stakeholders. The main focus is to ensure that the systems developed by the Board are upgraded to improve efficiency in provision of the services. The main system upgraded during the year are MEMS and ERMS.

Environmental factors

The Boards to adapt measures to meet standards for emissions, waste reduction, or sustainable sourcing and push forward sustainability agenda through training, adoption of sustainability reporting standards.

Legal factors

The Board conducted assessment of the legal environment and noted that no risks was identified as the Board operated under the stable legal environment of Tanzania. Also, no legal changes that may affect the operations of the Board.

2.8 STRATEGIC OBJECTIVES

To preserve value over long term period, The Board 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.

NBAA's strategic plan focuses on achieving five objectives as follows:

- 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; and,
- 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 STRENGTH

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.

2.8 KEY ACHIEVEMENTS DURING THE YEAR

The Board set annual plan from the strategic plan to fostering achieving of the strategic goals. The Board ensure that the planned activities are conducted as planned for the year ended June 2024. The achievement of the annual plan is stipulated in table 1.

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

Table 1 Achievements of the NBAA for the year ended 30 June 2024

No.	Performance Indicator	Target / Plan		Actual Achievement	
		2024	2023	2024	2023
1	Administer two examinations per annum: NBAA successfully administered two examinations sessions in November 2023 and May 2024.	2	2	2	2
2	Administer two mid-session examinations for accountants who possess foreign qualifications: NBAA successfully administered two examinations in August 2023 and February 2024.	2	2	2	2
3	Conduct IPSASs Diploma Course: NBAA managed to conduct two IPSASs Diploma course sessions during the year. One session was completed on August 2023 and the another in February 2024.	2	2	2	2
4	Conduct training quality assurance regulatory visit to 15 Tuition Providers: The Board managed to visit 15 tuition providers.	15	15	15	14
5	Issue 2 Publications of the Accountants Magazine: NBAA issued two Accountants Magazine during the year.	2	2	2	2
6	Review AML/CFT framework and conducted risk assessment for the Accountancy professional sector: The Board managed to review AML/CFT framework and Conducted risk assessment for the Accountancy professional sector.	1	-	1	-
7	Conduct 25 Seminars per annum: NBAA conducted 25 seminars/webinar during the year of which some were conducted jointly with other institutions such as Bank of Tanzania, and Tanzania Revenue Authority (TRA).	25	25	25	25
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.	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 the circle of three years: NBAA planned to conduct Audit Quality Review for 52 firms within a year under the circle of three years and 51 firms	52	52	52	51

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

No.	Performance Indicator	Target / Plan		Actual Achievement	
		2024	2023	2024	2023
	visited. The unvisited firms were caused by sickness reasons and the Board rescheduled those firms to be visited early next year 2024/25.				
11	Conduct 5 workshops per annum: NBAA conducted 5 workshops during the year under review.	5	5	5	5
12	Conduct 10 Accountancy professional Advisory programmes for various stakeholders as per the demand: NBAA conducted 10 Accountancy professional Advisory programmes for various stakeholders as per the demand.	10	10	10	10
13	Organize and submit a pre-budget proposal to the Government through the Minister for Finance: 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 the year 2024/25 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
14	Service NSSF loan by paying TZS 1,737,188,000: NBAA managed to service NSSF loan by paying TZS 1,737,188,000.	1	1	1	1
15	Redeem PSSSF equity by paying TZS 677,625,000: NBAA manage to redeem PSSSF equity by paying TZS 677,625,000.	1	1	1	1
16	Improve and integrate MEMS, ERMS, e-office systems, GEPG and corporate website to facilitate smoothly operation. NBAA managed to improve and integrate MEMS, ERMS, e-office corporate website and GEPG to facilitate smoothly operation.	97%	95%	97%	95%
17	The Board continued with the review of the Accountant and Auditors (Registration) Act CAP 286 by laws. The amended bylaws were sent to Ministry of Finance for review and further processes.	100%	100%	100%	100%
18	The Board managed to register members in different categories.	300	300	2,477	678

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

No.	Performance Indicator	Target / Plan		Actual Achievement	
		2024	2023	2024	2023
19	The Board managed to facilitate establishment of the Accountant and Auditors Appeal Board.	100%	-	100%	-
20	The Board managed to review of the strategic plan.	100%	-	100%	-

Source: NBAA performance contract with the Treasury Register for the year ended June 2024

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) from 1986. 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. In addition, NBAA is among 11 founding Members of the African Forum of Independent Accounting and Auditing Regulators established in March 2018. 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 when DSE was demutualized 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

In the matter of major economic policies and finance, the Ministry of Finance 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 on how NBAA is 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 with 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 standards.

Value we create

NBAA has been taking measures against accountants and auditors who do not comply with 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 to 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 to work-life balance.

Value we create

- Rewarding staff for the value they add to the Board;
- Developing our staff to further their careers and studies;
- Transforming into an inclusive society through gender equality; and,
- 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; and,
- 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; and,
- 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 Board has two main sources of funds to finance its operations that is subvention from the Government and own source generated fund. The subvention from the Government accounted for TZS 2.26 billion and TZS 2.29 for both 2024 and 2023 respectively while the internal sources contributed TZS 18.16 billion for 2024 and TZS 17.14 billion for 2023 of the total funds required to finance Board's operations. The Board believes that the Government through the Ministry of Finance will continue to finance its 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 66 (2023: 58) 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 delivers 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 in 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 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 of 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 factors and the role of corporates in their attainment. The Code emphasizes the need for boards to adopt 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 for the new advancement in Corporate Governance in respect to environmental, social and governance (ESG). NBAA has ensured its service 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/she resigns or his/her 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 the 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 13 members including the Chairman. In addition, the Board had established six 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 accordance with the Treasury Registrar's Board of Directors Code of Ethics and Conduct Guidelines, 2022. 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 the implementation of the Controller and Auditor General's recommendations made during the statutory audit of the financial year 2022/23. In addition to that, the Board continues to oversee the implementation of recommendations made by the Office of the Treasury Registrar following the Management/Governance audit conducted in the financial year 2020/21.

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 the 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.

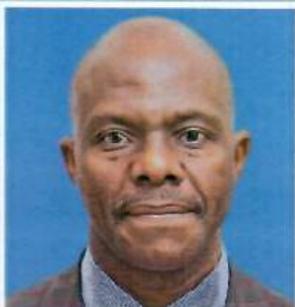
b) Composition of the NBAA Governing Board

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 a great competitive edge. Diversity is observed through differentiation in the age of Directors, their gender, and professional qualifications.

The Governing Board which held office during the year under audit was appointed effective from 9 November 2021 to 8 November 2024.

Table 2 Composition of the Governing Board

	<p>CPA Prof. Sylvia S. Temu Chairperson (Age: 66), Female, Tanzanian</p> <p>CPA Prof. Sylvia holds a PhD in Business Administration (University of Bremen, Germany), Master of Business Administration (Diploma 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 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, 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>CPA Prof. Ganka D. Nyamsogoro Director (Age: 52), Male, Tanzanian 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.</p>	
<p>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.</p>	

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.



CPA Paul R. Bilabaye
Director (Age: 52), Male, Tanzanian

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)).

CPA(T) Paul is Accountant currently serves is the Assistant Registrar and Director of Finance and Administration at Engineers Registration Board (ERB). Previously he served as the Capacity Development Specialist at Uongozi Institute.

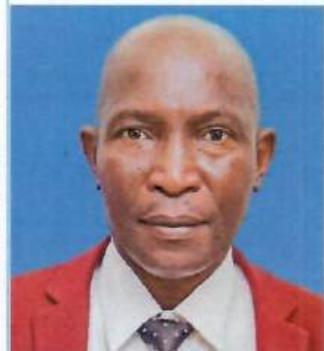
He was working as the Head of Finance and Administration at Procurement and Supplies and Technician Board (PSPTB) before that he was acting as Director of Finance for Administration for four years (2009 - 2013).

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 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.

CPA John F. Ndetico
Director (Age: 58), Male, Tanzanian

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.



He is the Director of Customer Service of Arusha Urban Water Supply and Sanitation Authority (AUWSA).

He was employed by Moshi Urban Water Supply and Sanitation Authority as Finance Officer from 1 July 1999 to 4 August 2013 and then he was appointed as Commercial Manager from 5 August 2013 up to 3 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.



CPA Witness M. Shilekirwa
Director (Age: 55), Female, Tanzanian

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.

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.

CPA Francis M. Mwakapalila
Director (Age: 57), Male, Tanzanian

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).



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.

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

CPA Adv. Fredrick B. Msumali

Director (Age: 57), Male, Tanzanian.

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.

He is the founding and Managing Partner of an Audit Firm, Elite Finance Managers. He also worked with DHL Tanzania Limited and Group Five International (Pty) Ltd as a Finance Manager. His audit career started when he joined PricewaterhouseCoopers.

He was also involved in several professional assignments in Tanzania, Kenya, Uganda, Zambia, and South Africa. He is also a practicing advocate of the High Court of Tanzania and has been providing several legal solutions to his clients in Tanzania.



CPA Rukia J. Adamu

Director (Age: 68), Female, Tanzanian

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).

She worked as Deputy Director Accounting Operations, Deputy Director Management Accounting at Tanzania Revenue Authority

She worked as Group Management Accountant, National Credit manager, plant Accountant, and fixed asset Accountant with Tanzania Breweries Ltd.

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.

CPA Aisha R. Kapande

Director (Age: 45), Female, Tanzanian

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 Accountants -CPA(T).

She is amongst women in the accounting profession who works very hard, she is working with the Institute of Social Work as Chief Accountant.

She 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).



NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

	<p>CPA Issa I. Masoud Director (Age: 42), Male, Tanzanian</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 as Finance Manager since 1 April 2014.</p> <p>He has also worked with BOA Bank Tanzania Ltd Morogoro Branch as a Senior Branch Manager.</p>
<p>CPA Dyoya G. Dyoya Director (Age: 60), Male, Tanzanian</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.</p> <p>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>CPA Rukia H. Abdulla Director (Age: 57), Female, Tanzanian</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> <p>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). Currently she is working as Ag Director of Quality Assurance and Technical Services at Zanzibar Institute of Accountants, Auditors and Tax Consultants (ZIAAT).</p>	



CPA Pius A. Maneno,
Executive Director and Secretary to the Board (Age: 58), Male,
Tanzanian

Mr. Maneno holds B.COM (UDSM), Masters in Accounting and International Finance (MAcc-UK), Post graduate Diploma in Management (Netherland). Certified Public Accountant (CPA (T)) and a Chartered Company Director certificate from the Institute of Directors in New Zealand. He is Executive Director of National Board of Accountants and Auditors, He has previously worked as 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

In financial year 2023/24, the Governing Board held four meetings.

Table 3 Governing Board meetings attendance

SN	Name	Position	Ordinary meetings			
			192	193	194	195
			29-Sep-23	21-Dec-23	27-Mar-24	20-Jun-24
1	CPA Prof. Sylvia S. Temu	Chairperson	✓	✓	✓	✓
2	CPA Prof. Ganka D. Nyamsogoro	Vice Chairperson	✓	✓	✓	✓
3	CPA Paul R. Bilabaye	Director	✓	✓	X	✓
4	CPA Issa M. Iddi	Director	✓	✓	✓	✓
5	CPA Witness M. Shilekirwa	Director	✓	✓	✓	✓
6	CPA Francis M. Mwakapalila	Director	✓	X	X	✓
7	CPA Rukia J. Adamu	Director	✓	✓	✓	✓
8	CPA John F. Ndetico	Director	✓	✓	✓	✓
9	CPA Adv Fredrick B. Msumali	Director	✓	✓	✓	✓
10	CPA Aisha R. Kapande	Director	✓	✓	✓	✓
11	CPA Dyoya G. Dyoya	Director	✓	✓	X	✓
12	CPA Rukia H. Abdulla	Director	✓	✓	✓	X
13	CPA Pius A. Maneno	Executive Director and Secretary to the Board	✓	✓	✓	✓

Source: Governing board minutes for the year 2023/24

Key

- ✓ Attended
- X Not attended

The Governing Board discussed and deliberated the following agendas;

- Quarterly staff matters for the 2023/24;
- Quarterly report on budget implementation;
- Quarterly procurement reports for the 2023/24;
- Proposal to write off uncollectible housing loans;
- Proposal to close the Mhasibu bookshop;
- Revised financial regulations for NBAA (2023);

- Updated NBAA client service charter and accounting manual;
- Proposed operational management model for the APC Investment Centre;
- Board survey report;
- Update on the establishment of the appeals board;
- Management submission regarding the appointment of the corporate services manager;
- Draft financial statements for NBAA for the year ended 30 June 2024;
- Audit plan and engagement letter for external auditors for the year ended 30 June 2024;
- Quarterly internal audit report for 2023/24;
- Status report on the management letter for the year ended 30 June 2023;
- Risk management report for 2023/24;
- NBAA risk registers for 2023/24;
- Progress report on preparations for the 45th graduation ceremony;
- Summary of the examination candidates' workshop and tuition providers forum from August 2023;
- Examination booklets, examiners' report, review of examination results, overview of results for the 2nd intake of the Certificate in IPSAS and the 14th intake of the Diploma in IPSAS programs;
- List of candidates qualifying for the Certificate and Diploma in IPSAS;
- Examination booklets, examiners' report, review of examination and overview of results from the 16th mid-session examinations;
- List of candidates qualifying for CPA (T) and CPA (T) equivalent;
- Guidelines for the registration of new members;
- Reinstatement of CPA Mazengo Kasilati to the ACPA register;
- Calendar for Continuing Professional Development (CPD) in 2024;
- Temporary membership registration for Thomas Potr Owen;
- ACPA registration for Syoni Mwakisilwa;
- Quarterly discussion on new member registrations for 2023/24;
- Quarterly updates on technical issues for 2023/24;
- Evaluation team selection for the best presented financial statements award for 2023;
- Summary of customer satisfaction survey results on NBAA services;
- Adoption of sustainability reporting practices in Tanzania;
- Pre-budget proposal for the accountancy profession for the 2024/25 government budget;
- Management proposal for setting up the APC Investment Centre;
- Draft audited financial statements and management letter for 2023/24;
- Quarterly discussion from the ICT steering committee for the 2023/24;
- Progress report on reviewing NBAA syllabi and learning materials;
- Proposal to adjust examination fees and honoraria rates, and results overview for the 98th Board's examinations in November 2023;
- Examination booklets and examiners' report for the 98th Board's examinations in November 2023;

- List of candidates qualifying for the Accounting Technician Certificate, CPA (T) Certificate and CPA (T) equivalent certificate in November 2023;
- Qualifying candidates for awards in November 2023;
- Quarterly regulatory visit report for 2023/24;
- Quarterly audit quality review report for 2023/24;
- Report on the shortage of professional accounting personnel (CPAs) in Tanzania;
- Survey proposal addressing challenges faced by accountants in preparing financial statements;
- Minor revisions to TFRS 1 regarding sustainability reporting adoption;
- Development of a professional diploma in internal auditing;
- Approval of the winner of the best presented financial statements award (results circulated);
- Evaluation of board performance for 2024;
- Revised budget for 2023/24;
- Reviewed annual procurement plan for the 2023/24 and proposed plan for 2024/25;
- Business performance report for APC;
- NBAA training guidelines;
- Updated NBAA succession plan;
- Revised incentive program; and,
- NBAA/NHIF supplementary package.

d) Committees of the NBAA Governing Board

The Governing Board functions through six committees namely:

- Finance and Human Resources Committee;
- The Technical Services Committee;
- The Education and Publications Committee;
- The Membership, Ethics and Compliance Committee;
- The Public Sector Committee; and
- 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 effective from 9 November 2021 to 8 November 2024.

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.

The Committee members were appointed on 9 November 2021. The Finance and Human Resources committee held four meetings as planned.

Table 4 Members of the Finance and Human Resources Committee as at 30 June 2024

No.	Committee Members	Position	Ordinary Meeting			
			7	8	9	10
			07-Sep-23	06-Dec-23	05-Mar-24	12-Jun-24
1	CPA Prof. Ganka D. Nyamsogoro	Chairperson	✓	✓	✓	✓
2	CPA Rukia J. Adamu	Member	X	X	✓	X
3	CPA Francis M. Mwakapalila	Member	✓	✓	X	X
4	CPA Witness M. Shilekirwa	Member	✓	X	✓	✓
5	CPA Issa I. Iddi	Member	✓	✓	✓	✓
6	CPA Pius A. Maneno	Executive Director and Secretary to the Committee	✓	✓	✓	✓

Source: Minutes of meetings of finance and human resource committee for the year 2023/24

Key

- ✓ Attended
- X Not attended

d) Committees of the NBAA Governing Board

The Finance and Human Resources Committee discussed and deliberated the following agendas.

- Quarterly updates on staff-related matters for 2023/24;
- Progress reports on budget implementation for 2023/24;
- Procurement reports for the 4th quarter of 2022/23 and all quarters of 2023/24;
- Board of Survey findings;
- Appeal Board progress updates;
- Procurement performance report for 2023/24;
- APC business performance updates;
- Recommendation to write off an unrecoverable housing loan;
- Proposal to close the Mhasibu Bookshop;
- Suggested operational management model for the APC Investment Centre;
- Proposal for the management structure of the APC Investment Centre;

- Updated NBAA Financial Regulations (2023);
- Revised NBAA Client Service Charter;
- NBAA Accounting Manual updates;
- Adjusted NBAA budget for 2023/24;
- Reviewed and proposed procurement plans for 2023/24 and 2024/25;
- Revised budgets for NBAA's recurrent and capital expenses for 2024/25;
- Updated 5th NBAA Strategic Plan (2021/22-26) and its implementation status as of December 2023;
- Draft revisions to NBAA's Marketing and Communication Policy;
- Updated NBAA training guidelines;
- Revised succession plan for NBAA;
- Updates to NBAA's incentive scheme;
- Supplementary package proposal for NBAA and NHIF members;
- Submission for the appointment of a Manager for Corporate Services;
- Evaluation report on the board's performance in 2023; and,
- Marketing and promotion strategies for APC Investment Centre for 2023/24.

ii. Technical Services Committee

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

- Issuance of technical statements and standards for both the private as well as the public sectors in accounting, auditing and allied subjects;
- Review of the impact of existing or proposed legislature and government directives on financial reporting and on the profession generally;
- Reacting to the exposure drafts of International Accounting Standards Board (IASB), International Federation of Accountants (IFAC) and other related accounting and auditing bodies;
- Assist the government in promoting greater transparency and improved governance by improving its financial reporting systems;
- Liaise with other regulatory agencies with the view of establishing specific financial reporting requirements, if any;
- 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;
- Undertake studies and research on new technical issues relevant to the development of the profession in Tanzania;
- Undertake studies on monitoring compliance with issued standards; and
- Any other issues as may be directed by the Governing Board.

Technical Services Committee held four meetings as planned. The Committee Members were appointed on 9 November 2021, and include two co-opted members, Tanzanians, who are appointed by the Governing Board.

Table 5 Members of the Technical Services Committee as at 30 June 2024

No	Committee Members	Position	Ordinary Meeting			
			68	69	70	71
			06-Sep-23	12-Dec-23	11-Mar-24	11-Jun-24
1	CPA Witness M. Shilekirwa	Chairperson	✓	✓	✓	✓
2	CPA Paul R. Bilabay	Member	✓	✓	✓	✓
3	CPA Dr. Neema K. Mssusa	Member	✓	✓	✓	✓
4	CPA Sathina M. Mkumba	Member	✓	X	✓	✓
5	CPA Wilson A. Ngao	Member	X	✓	X	✓
6	CPA Pius A. Maneno	Executive Director and Secretary to the Committee	✓	✓	✓	✓

Source: Minutes of meetings of Technical Services Committee for the year 2023/2024

Key

- ✓ Attended
- X Not attended

The Technical Services Committee discussed and deliberated the following agendas.

- Updates on technical matters for 2022/23 and 2023/24;
- Evaluation team review for the Best Presented Financial Statements Awards (2022);
- Summary report from the customer satisfaction survey on NBAA services;
- Report on adopting sustainability reporting in Tanzania;
- Assessment of the gap in professional accounting personnel (CPAs) within Tanzania;
- Survey proposal addressing challenges accountants face when preparing financial statements;
- Minor amendments to TFRS 1 to accommodate sustainability reporting;
- Adoption and implementation of sustainability reporting standards in Tanzania;
- Revised policies for technical services, research, and advisory services;
- Proposal to develop a professional diploma program in internal auditing;
- Approval of the winner for the Best Presented Financial Statements Awards (circulated);
- Draft of Technical Pronouncement No. 2 for 2024; and,
- Proposal to assess compliance levels with International Financial Reporting Standards (IFRS) among Tanzanian listed companies.

iii. Education and Publications Committee

The Committee deals with matters pertaining to the following:

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

Education and Publications Committee held four meetings. The Committee Members were appointed on 9 November 2021, and include two co-opted members, Tanzanians, who are appointed by the Governing Board.

Table 6 Members of the Education and Publications Committee as at 30 June 2024

No.	Committee Members	Position	Ordinary Meeting			
			105	106	107	108
			12-Sep-23	18-Dec-23	13-Mar-24	18-Jun-24
1	CPA Prof Ganka D. Nyamsogoro	Chairperson	✓	✓	✓	✓
2	CPA Rukia H. Abdulla	Member	✓	✓	✓	X
3	CPA Issa M. Iddi	Member	✓	✓	✓	✓
4	Dr Marcelina A. Baitilwake	Member	✓	✓	✓	✓
5	Dr. Shufaa A. Albeity	Member	✓	X	✓	✓
6	CPA Pius A. Maneno	Executive Director and Secretary to	✓	✓	✓	✓

Source: Minutes of meetings of Education and Publications Committee for the year 2023/24

Key

- ✓ Attended
- X Not attended

The Education and Publications Committee discussed and deliberated the following agendas.

- Progress update on preparations for the 45th Board Graduation Ceremony;
- Summary report on the examination candidates' workshop and the Tuition Providers Forum held in August 2023;
- Progress report on the ongoing review of NBAA syllabi and learning materials;
- Proposal to revise examination fees and honoraria rates;
- Review and update of examination policies and guidelines;

- Draft minutes of the 106th Education and Publications Committee meeting;
- Review and approval of results for: 2nd Intake of Certificate in IPSAS and 14th Intake Diploma in IPSAS programs, 16th Mid-Session Examinations, 98th Board Examinations (November 2023), 15th Diploma in IPSAS Examinations (February 2024), 17th Mid-Session Examinations (February 2024) and 99th Board Examinations (May 2024);
- Highlights and analysis of examination results for the above programs and sessions;
- Distribution of results booklets and examiners' reports for each examination session; and,
- Lists of candidates qualifying for various certifications and awards, including: Certificates in IPSAS and Diplomas in IPSAS. And CPA (T) and CPA (T) equivalent certifications and Accounting Technician Certificates.

iv. Membership, Ethics and Compliance Committee

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

- Receive, consider and decide upon applications for registration of Practicing Accountants, Accounting Technicians and Practicing Firms;
- Determination of registration, subscription and practicing fees;
- Critically review the relevance of CPE proposed by the Secretariat and recommends the same to the Governing Board for approval;
- 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);
- Responsible for the management and supervision of the Board's Audit Quality Review Scheme;
- Monitor members and firms to ensure compliance with standards, professional Code of Conduct and ethics;
- Critically review the regulatory reports and come up with recommendations on the way forward;
- Set up the criteria for investigating process for noncompliance;
- Oversee any investigation of activities which are within its terms of reference;
- Recommend sanctions and disciplinary actions against defaulters to the Governing Board as provided for in the NBAA establishing law;
- 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;
- Develop a set of high-quality, understandable and enforceable rules;
- Collaborate with all the regulatory bodies on the issues of compliance;
- Create linkages with other affiliate professional associations; and

- Promote and organize member’s social functions.

Membership, Ethics and Compliance Committee held four meetings. The Committee Members were appointed on 9 November 2021, and include two co-opted members, Tanzanians, who are appointed by the Governing Board.

Table 7: Members of the Membership, Ethics and Compliance Committee as at 30 June 2024

No.	Committee Members	Position	Ordinary Meeting			
			122	123	124	125
			08-Sep-23	11-Dec-23	16-Mar-24	10-Jun-24
1	CPA Rukia J. Adamu	Chairperson	X	✓	✓	✓
2	CPA Adv Fredrick B.	Member	✓	✓	✓	✓
3	CPA Dyoya G. Dyoya	Member	✓	✓	✓	✓
4	CPA Oswald M Urassa	Member	✓	✓	✓	X
5	CPA Leticia M. Nchwali	Member- Qualification: Certified Public	✓	✓	✓	✓
6	CPA Pius A. Maneno	Executive Director and Secretary to the Committee	✓	✓	✓	✓

Source: Minutes of meetings of Membership, Ethics and Compliance Committee for year 2023/24

Key

- ✓ Attended
- X Not attended

The Membership, Ethics and Compliance Committee discussed and deliberated the following agendas.

- Quarterly reports on regulatory visits for 2023/24;
- Quarterly audit quality review reports for 2023/24;
- Accountants’ Annual Conference 2023 report;
- Guidelines for the registration of new members and honorary members;
- Audit Quality Review Program for 2024/25;
- Regulatory Visit Program for 2024/25;
- Practical Experience Logbook for graduate accountants in academics;
- Registration updates of Thomas Potr Owen as a temporary member, Syoni Mwakisilwa as an Associate Certified Public Accountant (ACPA) and New members registered in 2023/24;
- Restoration of CPA Mazengo Kasilati to the ACPA register;
- Disciplinary proceedings for CPA Joseph Kilosa;
- CPD Calendar for 2024; and,
- Draft minutes of the 123rd Ordinary Meeting held on 11 December 2023.

v. Public Sector Committee

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

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

The Public Sector Committee held one meeting as planned. The Committee Members were appointed on 9 November 2021, and include two co-opted members, Tanzanians, who are appointed by the Governing Board.

Table 8 Members of the Public Sector Committee as at 30 June 2024

No.	Committee Members	Position	Ordinary meeting 5 Sept 2023
1	CPA Francis M. Mwakapalila	Chairperson	✓
2	CPA John F Ndetico	Member	✓
3	CPA Aisha R Kapande	Member	X
4	CPA Adv Nicholas M.F Duhia	Member	✓
5	CPA Nicodemus D Mkama	Member	X
6	CPA Pius A. Maneno	Executive Director and Secretary to the Committee	✓

Source Minutes of meetings of Public Sector Committee for year 2023/24

Key

- ✓ *Attended*
- X *Not attended*

The Public Sector Committee discussed and deliberated the following agendas.

- Proposed amendment to the Public Sector Committee Charter; and,
- The Accountancy Profession Pre-Budget Proposals for the year 2024/25 Government Budget.

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 four meetings as planned.

Table 9 Members of the Audit Committee as at 30 June 2024

No.	Committee Members	Position	Ordinary Meeting			
			46	47	48	49
			11-Sep-23	13-Dec-23	14-Mar-24	13-Jun-24
1	CPA Paul R Bilabaye	Chairperson	✓	✓	✓	✓
2	CPA Rukia H Abdulla	Member	✓	✓	✓	X
3	CPA John F Ndetico	Member	✓	✓	✓	✓
4	CPA Adv Fredrick B	Member	✓	✓	✓	✓
5	Mr Benjamin Mkwizu	Member	X	✓	✓	X
6	Adv Agnes A. Kessy	Secretary: Head of legal, Qualifications: LLB (UDSM), MBA and Post graduate diploma in legal	✓	✓	✓	✓

Source Minutes of meetings of the Audit Committee for the year 2023/24

Key

- ✓ Attended
- X Not attended

The Governing Board discussed and deliberated the following agendas;

- Draft NBAA financial statements for 2023/24;
- Audit plan and engagement letter from external auditors for 2023/24;
- Draft audited financial statements and management letter for 2022/23;
- Quarterly internal audit reports for 2023/24 and internal audit plan for 2024/25;

- Implementation progress of external auditors' recommendations for 2022/23;
- NBAA risk implementation reports for 2023/24;
- NBAA risk register for 2023/24;
- Risk management progress and performance reports for 2023/24;
- Draft revised institutional risk management framework;
- Draft fraud risk management framework;
- Risk management annual plan for 2024/25;
- Institutional and fraud risk registers for 2024/25; and,
- Submissions from the Management Risks Committee and ICT steering committee.

2.14 MANAGEMENT

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

- The Corporate Services Directorate;
- The Professional Education and Training Services Directorate;
- The Members Services Directorate; and,
- The Standard, Research and Technical Services Directorate.

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

- Internal Audit Unit;
- Legal Services Unit; and,
- Procurement Management Unit.

2.15 EVENTS AFTER THE REPORTING PERIOD

There were no material events, adjusting, or non-adjusting that had occurred after the reporting date and thus required 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 a 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 a development fund, revolving fund, reserves, and retained surplus. The NBAA complied with all requirements relating to the maintenance of capital.

Capital is maintained through national budget allocation to the NBAA through the Ministry of Finance.

	2024	2023
Description	TZS '000	TZS '000
Special reserve	1,942,601	1,831,198
Contribution from the Government	6,568,922	6,568,922
Accumulated surplus	16,069,017	16,635,232
	<u>24,580,540</u>	<u>25,035,352</u>

2.18 FINANCIAL RESULTS FOR THE YEAR 2023/24

I. Financial performance

a) Revenue from exchange transactions

Revenue from exchange transactions has increased by 77.02% from TZS 454.31 million in the year 2023 to TZS 804.21 million in 2024. The increase was attributed to the increase in revenues generated from advisory services as the result of increase in values of advisory services obtained during the year and revenue received from OCAM project on adoptions and implementation of Accrual IPSAS in Mozambique.

b) Revenue from non-exchange transactions

Revenue from non-exchange transactions has increased by 5.29% from TZS 17.78 billion in 2023 to TZS 18.72 billion in 2024. The increase was caused by the increase in collections from examination fees and seminar/workshop participation fees caused by the increase in number of candidates and seminar/workshop participants. Furthermore, this increase was attributed to the increase in annual fees received from members due to membership upgrading campaign and CPD waiver provided by the Board.

c) Employment costs

Employment costs have increased by 12.22% from TZS 5.28 billion in 2023 to TZS 5.92 billion in 2024. This is primarily attributed by increase in salary, staff welfare costs and other incentives to staff during the year due to increase number of staffs.

d) Operating expenses

Operating expenses have increased by 24.47% from TZS 6.26 billion reported in 2023 to TZS 7.80 billion in 2024. The increase was attributed by the increase in hall hiring costs as the result of increase in number of seminar and workshop participants during the year. Also, increase in wages, incentives due to increase in number of activities with the intention of increasing of regulation to members and improving quality of graduate through review of syllabus and learning materials.

e) Administrative expenses

Administrative expenses have increased by 17.21% from TZS 4.30 billion in 2023 to TZS 5.04 billion in 2024. This has primarily been attributed by the increase in costs due to upgrading and integrations of the ICT systems particularly the exercise of data entry, cleaning to facilitate reporting production module preparations and provision of the training to staff on the use of the upgraded system. Also, the increase in costs was attributed by the increase in activities compared to the previous year's such in preparation of various documents after review of the Accountant and Auditors registration Act, finalizing preparation of the members registration and examination by law reviews, preparation of Swahili version of the Accountant and Auditors registration Act, to provide training to staff on the use of the e Watumishi system which used in measurement of employee performance.

Also, preparation of syllabus and training materials for diploma for internal auditors, Preparation of syllabus and training materials for diploma for sustainability reporting, adoption of the sustainability reporting standards, review of syllabus and learning materials, preparation of risk and fraud frameworks and registers, preparation of AML/CFT framework and conduct of the accountancy sector risk assessment, establishment of the AAAB Board and upgrading of members.

The Board carry over the activities some activities from the previous year's budget such as completing the review of the syllabus and learning materials, finalization of the data entries and cleaning and training to staff on the upgraded systems. Lastly the Board disbursed TZS 100 million (2022/23: 100 million) to Treasury Registrar as contribution to the consolidated fund.

f) Finance costs

Finance costs have decreased to TZS 0.96 billion in 2024 from TZS 1.02 billion reported in 2023. The decrease is mainly attributed to use of the reducing balance interest computation with an interest rate of 5% for the period of 20 years of which interest tends to decrease over time.

g) Depreciation

Depreciation expenses have increased by 24.04% from TZS 332.36 million in 2023 to TZS 412.28 million in 2024. The increase is primary attributed by increase of depreciation as the result of acquisition of the new assets.

II. Financial position

a) Cash and cash equivalents

Cash and cash equivalents stood at TZS 0.13 billion in 2024 compared to a position of TZS 1.79 billion in 2023. This significant decline was attributed by the implementation of Board activities to finance operation as well as the utilization of commitments emerging from last year.

b) Financial assets

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

c) Receivables from exchange transactions

Receivables from exchange transactions increased by 40.80% from TZS 2.01 billion in 2023 to TZS 2.83 billion in 2024. The increase is primarily attributed to increase in staff loan receivable as a result of increase in number of staff who borrow from the staff housing loan revolving fund.

d) Loan receivable from APC Investment Centre

The value of the loan receivable balance from APC decreased by 3.81% from TZS 21.17 billion to TZS 20.39 billion in 2024 (the figures are derived from both current and non current loan receivable from APC as reported in the Statement of Financial Position). The decrease was attributed by repayment of loan of TZS 1.73 by the Centre as per the loan restructuring contract.

e) Inventories

In 2024, the Board did not maintain any inventories compared to the TZS 3.09 million maintained in the year 2023. The decrease is primarily attributed to the fact that as at period end the Board decided to close the bookshop and the books were transferred to the library. Also, The Board encourages the use of electronic learning materials for candidates and the use of Just in Time in the purchase of office consumables.

f) Investment in joint venture

In 2024, net carrying amount of investment in joint venture stood at TZS 8.83 billion compared to TZS 8.05 billion reported in 2023. The increase is a result of the net impact of additional capital of TZS 0.937 billion as an excess amount over the received amount from APC Centre paid by the Board as NSSF Loan Repayment and share of loss from the joint venture amounting to TZS 0.835 billion.

g) Property and equipment

Property and equipment have decreased by 1.75% from TZS 13.22 billion in 2023 to TZS 12.99 billion in the year 2024. The decrease was attributed by the charging of the wear and tear (depreciation) of the year and few assets was acquired during the year amounting to TZS 180.73 million compared to the last year.

h) Borrowings

Borrowings represent loan from NSSF which stood at TZS 20.39 billion in 2024 compared to TZS 21.17 billion which was reported in 2023 (the figures are derived from both current and non current borrowings as reported in the Statement of Financial Position). The decrease was attributed by repayment of loan as agreed in the loan restructuring contract which require the Board to pay a fixed amount of TZS 1.737 billion per annual.

i) Payables from exchange transactions

As at 30 June 2024, payables from exchange transactions stood at TZS 600.55 million which is a result of increase of 157.73% from TZS 233.02 million which was reported in 2023. The Board have outstanding payments that across the year compared to the prior year specifically in administration, examination and other operational costs.

2.19 ENTITY OPERATING MODEL

Summarized below is the entity operating model

Value we create:	Our capital	Process	Output	Outcome
        	<p>Resources:</p> <ul style="list-style-type: none"> a) Financial resources; b) Manufactured resources; c) Human resources; d) Social and relationship resources; and, e) Natural resources. 	<p>Principal activities:</p> <ul style="list-style-type: none"> a) Conducting examinations and issuing publications; b) Registration of members and professional firms; c) Regulation of the Accountancy Profession; d) Conducting of Continuing Professional Education (CPE) Programmes; and e) Formulating the appropriate National Accountancy Scheme Syllabi. 	<p>Key achievements during the year:</p> <ul style="list-style-type: none"> a) Code of Ethics, Technical Issues and Professional Standards: These standards guide the behaviour and practice of members on the performance of their duties and reporting requirements; b) Members: Registered Accountants and Auditors; and Registered Audit/Accountancy Firms. Members are expected to offer approved services only; c) Professional Examinations: CPA and IPSAS examination offered to members; d) Accounting Advice to the Government: Advice on various issues on accounting, auditing, tax and related matters; e) Continuing Professional Education: Members are provided with updated impacting the accountancy profession; f) Training: Training to members and general public on accounting and related areas; g) Research and Advisory: 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; and, h) Publications: NBAA issues Journals and Accountant Magazine to inform the public about current issues from the accountancy profession. 	<p>Relationship with stakeholders:</p> <ul style="list-style-type: none"> a) Ministry of Finance: Continuous engagement to ensure full disclosure and open communication so as to inform their investment decisions; b) Regional and International Accountancy: Continuous NBAA seminar, training and workshop to the auditors and accountants for capacity building and knowledge sharing; c) Regulators: The Board 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; d) General public: Developing innovative solutions that meet our customers' specific needs; e) Employees: 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; and, f) Students/Members: 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.

2.20 LEGAL AND REGULATORY REQUIREMENTS

NBAA is a regulatory body for the accountancy profession in Tanzania. 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, NBAA complied with all the applicable laws.

2.21 ENVIRONMENTAL CONTROL PROGRAM

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

The Board reduces the use of papers on its activities by automation of the functions of the Board including the Governing Board activities. The Board members and staff were using electronic devices in performing their activities as no papers will be used during the meetings. Students and members were required to submit applications and obtain learning materials and seminar material electronically through the Member and Examination Management System (MEMS).

The Board provide training to its members and staff on the use of the clean energy such as gas, solar power and reducing using the charcoals as national agenda of reducing the use of the clean energies.

2.22 PRINCIPAL RISKS AND UNCERTAINTIES

The Governing Board accepts final responsibility for the risk management and internal controls 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 prescribed measures.

1. Strategic risks

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 Continuous Professional Development 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 advise Management and Governing Board on different matters pertain to the achievement of Board objectives.

Mitigation measures

- Continue timely monitoring and evaluation of accountants and auditors on their practice;
- Continue to take disciplinary measures against unethical members;
- Ensure approval of the funds before project commencement;
- Conduct virtual meetings and 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; and,
- Implementation of recommendations onto penetration test report, using a very strong firewall and providing awareness on Budget Act 2015 staff.

2. Legal and compliance risks

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.

Mitigation measures

Provide awareness on legal issues and capacity building to staff (training).

3. Operational risks

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.

Mitigation measures

- Provide protective gears;
- provide awareness programs and other initiatives to all staff;
- Update examination control guideline regularly; and,
- 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.

4. Financial and fraud

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. Also, the Board prepared fraud risk framework and register to ensure that fraud risk is monitored at all time.

Mitigation measures

Develop and enforce Ethics and Code of conduct Policy and communicate, fraud risk registers and enforce whistle blowing policy.

2.23 FUTURE DEVELOPMENT PLANS

In the next financial year plans to perform the following activities;

- a) NBAA will continue to review 24 study kits for its developed syllabi to be tested for the first time in November 2024;
- b) The Board will 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;
- c) The Board will continue to re-enforce the mandatory CPE scheme and offer specialized CPE programs to enhance quality of its members' skills. The Board will embark on continuous cost-cutting measures to make sure that value for money is achieved in all the NBAA's activities;
- d) The Board 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 building the technical capacity of its staff;
- e) Board will continue to implement its five-year Strategic Plan for years 2021/22 to 2025/26 and review its operating students and membership Bylaws following the amendments of the Accountants and Auditors (Registration) Act expected to be finalized in 2024/25;
- f) The Board will continue to service NSSF loan used in the construction of Accountancy Professional Centre and Purchase of the PSSSF equity invested at Accountancy Professional Centre as per agreements; and
- g) To build its new office in Dodoma before June 2026.

2.24 GENDER PARITY

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, tribe, religion and disability which does not impair ability to discharge duties. The Board support gender development by supporting Association dealing with Accountant Women development in areas of training, financial support, office accommodation.

In 2024 and 2023 the NBAA had the following distribution of employees by gender:

Table 10 Gender Parity

Gender	2024		2023	
	No.	Percentage	No.	Percentage
Male	36	55%	32	57%
Female	30	45%	26	43%
Total	66	100%	58	100%

Source: Personnel record from the human resources unit

2.25 RELATED PARTY TRANSACTIONS AND BALANCES

All related party transactions and balances, including director's emoluments, have been disclosed in note 42 to the financial statements.

2.26 POLITICAL AND CHARITABLE DONATIONS

2.26.1. Political donation

NBAA did not make any political donation for both 2024 and 2023 financial year.

2.26.2. Charitable Donation

The Board managed to organize fund raising from members through Charity walk to support treatment of suffering with heart diseases at Muhimbili Orthopaedic Institute amounting to TZS 15 million, provide humanity support to Tanzanians affected by landslide at Hanang Manyara TZS 10 million and provide business learning material(textbook) to two secondary schools in Tanzania Mainland and two secondary schools in Zanzibar.

2.27 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.

2.28 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, two members of staff were sponsored for bachelor's degrees; four staff for master's degrees, twenty other employees were sponsored for short term training programs and 8 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 371 million (2023: TZS 210.87 million) 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 (dependents) for each employee were availed with medical insurance where employer contribute three percent of employee basic salary moreover the NBAA subsidized 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 12.64 million (2023: TZS 63.78 million).

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 2022. Management has established a Revolving Fund and has influenced staff to establish and join the NBAA Savings and Credit Co-Operative Society to assist in promoting the welfare of its employees. During the year under review management succeeded to issue loans amounting to TZS 690 million to staff (2023: TZS 359.74 million) through the established revolving fund.

2.29 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.

2.30 RESPONSIBILITIES OF THE AUDITORS

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 and cash flows for the year that ended in accordance with the International Public Sector Accounting Standards (IPSASs), and in the manner required by the Auditors and Accountants (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.

Auditor's objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes an opinion. In addition, Sect. 10(2) of the PAA No. 11 of 2008 require auditors to satisfy themselves that, the financial statements have been prepared in accordance

with the appropriate accounting standards. Furthermore, Sect. 48(3) of the Public Procurement Act No. 7 of 2011 (as amended 2016) require auditors to report whether the audited entity has complied with the provisions of the Law and its Regulations.

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 the working environment including increasing the number of staff and salary.

2.32 CAPITAL COMMITMENT

As at the reporting date, NBAA had a capital commitment amounting to TZS 0.673 billion (2023: 0.146 billion). The commitment relates to consultancy for NBAA Dodoma office construction.

The Board also has a 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 0.677 billion each year and this amount includes principal equity amount and premium for twenty year. As at reporting date the Board has commitment amounting TZS 8.55 billion as shown on Joint venture Agreement Purchase schedule.

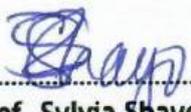
2.33 STATUTORY AUDITORS

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) [Cap 418 R.E 2020]. Claritas International were authorized to carry audit of Board for the financial year ended 30 June 2024.

2.34 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 the Governing Board on 26/03/2025 and signed on behalf by:


.....
CPA Prof. Sylvia Shayo Temu
Chairman
Governing Board

Date: 26/03/2025


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

3.0 STATEMENT OF RESPONSIBILITIES OF GOVERNING BOARD FOR THE YEAR ENDED 30 JUNE 2024

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. The governing board is 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.

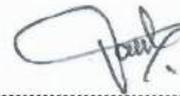
The governing board accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimate in conformity with International Public Sector Accounting Standards (IPSASs) and in the manner required by applicable laws. The Governing Board 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. The Governing Board 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 the Governing Board 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 the Governing Board on 26/03/2025 and signed on behalf by:



.....
CPA Prof. Sylvia Shayo Temu
Chairman
Governing Board



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

Date: 26/03/2025

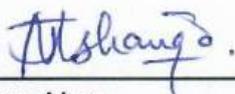
4.0 DECLARATION OF THE HEAD OF FINANCE

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 2024 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.



Signed by:

CPA Juma Antipas Mshanga - ACPA 3425,
Ag. Chief Accountant,
Dodoma, Tanzania.

Date: 25/03/2025

5.0 FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

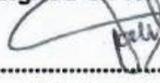
	Note	2023/24	2022/23
	s	TZS '000	TZS '000
ASSETS			
Current assets			
Cash and cash equivalents	7	134,901	1,786,245
Receivables from exchange transactions	8	2,834,338	2,006,870
Financial assets	9	76,300	76,300
Loan receivables from APC Investment Centre	10	802,482	802,482
Inventories	11	-	3,098
		<u>3,848,020</u>	<u>4,674,995</u>
Non-current assets			
Investment in joint venture	12	8,833,060	8,053,405
Property and equipment	13(a)	12,904,133	13,227,627
Work in progress	13(b)	91,951	-
Loan receivables from APC Investment Centre	10	19,588,001	20,363,672
Intangible assets	14	378,087	179,938
		<u>41,795,232</u>	<u>41,824,642</u>
TOTAL ASSETS		<u>45,643,252</u>	<u>46,499,637</u>
LIABILITIES			
Current liabilities			
Trade and other payables	15	600,554	233,019
Provision for liabilities and charges	16	71,676	65,113
Borrowings - NSSF loan	17	802,482	802,482
		<u>1,474,712</u>	<u>1,100,614</u>
Non-current liabilities			
Borrowings -NSSF loan	17	19,588,001	20,363,672
NET ASSETS		<u>24,580,540</u>	<u>25,035,353</u>
NET ASSETS			
Special reserve	49	1,942,601	1,831,198
Contribution from the Government	48	6,568,922	6,568,922
Accumulated surplus		16,069,017	16,635,233
TOTAL NET ASSETS		<u>24,580,540</u>	<u>25,035,353</u>

The notes form an integral part of financial statements which were approved by Governing Board and authorized for issue on.....26/03/2025..... and were signed on its behalf by:



 CPA Prof. Sylvia Shayo Temu
 Chairman
 Governing Board

Date: 26/03/2025



 CPA Paul R. Bilabay
 Chairman
 Audit Committee

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2023/24 TZS '000	<i>Restated</i> 2022/23 TZS '000
REVENUE			
Revenue from non-exchange transactions	18	18,722,607	17,776,453
Revenue from exchange transactions	19	804,210	454,310
Other income	20	1,050,668	1,270,852
		<u>20,577,485</u>	<u>19,501,615</u>
EXPENSES			
Operating expenses	21	7,796,319	6,263,440
Employment costs	22	5,927,773	5,282,205
Administrative expenses	23	5,037,808	4,297,765
Other expenses	24	172,849	336,086
Finance costs	25	961,517	1,018,921
Depreciation of property and equipment	13	412,275	332,364
Share of loss in joint venture	12	835,159	768,194
		<u>21,143,700</u>	<u>18,298,975</u>
(Deficit)/Surplus		<u>(566,215)</u>	<u>1,202,640</u>

The financial statements were approved by Governing Board and authorized for issue on...26/03/2025..... and were signed on its behalf by:



 CPA Prof. Sylvia Shayo Temu
 Chairman
 Governing Board

Date: 26/03/2025.....

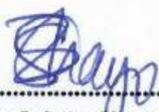


 CPA Paul R. Bilabaye
 Chairman
 Audit Committee

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024

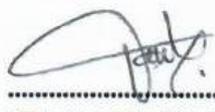
	Special reserve funds TZS '000	Contribution from the Government TZS '000	Accumulated surplus TZS '000	Total TZS '000
Year ended 30 June 2023				
At the beginning of the year	1,953,748	6,568,922	15,376,319	23,898,989
Special reserve fund interest	112,902	-	-	112,902
Provision of Housing loan	(235,452)	-	-	(235,452)
Prior Year Adjustments Loan Provision	-	-	56,273	56,273
Surplus for the year	-	-	1,202,640	1,202,640
At the end of year	<u>1,831,198</u>	<u>6,568,922</u>	<u>16,635,232</u>	<u>25,035,352</u>
Year ended 30 June 2024				
At the beginning of the year	1,831,198	6,568,922	16,635,232	25,035,352
Special reserve fund net interest	111,403	-	-	111,403
Deficit for the year	-	-	(566,215)	(566,215)
At the end of year	<u>1,942,601</u>	<u>6,568,922</u>	<u>16,069,017</u>	<u>24,580,540</u>

The notes form an integral part of financial statements.



 CPA Prof. Sylvia Shayo Temu
 Chairman
 Governing Board

Date: 26/03/2025.....



 CPA Paul R. Bilabaye
 Chairman
 Audit Committee

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2023/24 TZS '000	2022/23 TZS '000
Operating activities			
Receipts			
Ministry of Finance	27	325,385	371,299
Professional fees	28	3,938,462	3,703,069
Examination fee	29	5,212,830	4,893,990
Seminar fees	30	6,928,249	6,718,330
Fee from advisory services	31	398,738	217,250
Sale of publications	32	-	22,713
Miscellaneous revenue	33	178,539	145,096
Dividend	20	3,759	2,030
Housing Loan	32 (b)	531,151	112,902
Rents	34	55,686	72,514
Donation income	35	111,000	233,064
Total receipts		17,152,648	16,379,355
Payments			
Advisory expenses	36	(358,728)	(186,698)
Examination expenses	37	(3,553,717)	(2,912,657)
Seminar expenses	38	(3,707,230)	(2,992,634)
Employment costs	39	(4,286,918)	(3,898,439)
Administrative expenses	40	(4,760,229)	(4,160,372)
Housing loan		(690,000)	(212,902)
Other expenses	41	(21,011)	(18,223)
Net cash generated from operating activities		305,966	2,110,332
Investing activities			
Purchase of property, plant, and equipment	13	(180,732)	(341,325)
Additions on intangible assets	14	(276,246)	-
Interest received		111,403	112,902
Net cash used in investing activities		(345,575)	(228,423)
Financing activities			
Repayment of NSSF loan	17	(1,737,189)	(1,218,792)
Purchase of PSSF equity interest	12	(677,625)	(640,000)
Repayment of loan by APC Investment	10	800,000	640,000
Net cash used in financing activities		(1,614,814)	(1,218,792)
Increase in cash and cash equivalents		(1,654,423)	663,117
At the beginning of the year		1,790,085	1,126,968
At the end of year	7	135,662	1,790,085

The notes form an integral part of financial statements.



 CPA Prof. Sylvia Shayo Temu
 Chairman
 Governing Board

Date: 26/03/2025



 CPA Paul R. Bilabaye
 Chairman
 Audit Committee

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

	Approved budget TZS 000	Actual amount on comparable basis TZS 000	Deviation TZS 000	Percentag e %
Receipts				
Ministry of Finance	1,885,356	1,914,039	(28,683)	(2)
Professional fees	4,049,001	3,938,462	110,539	3
Examination fee	5,489,856	5,212,830	277,026	5
Seminar fees	7,327,192	6,945,984	381,208	5
Fee from advisory services	778,670	547,616	231,054	30
Miscellaneous revenue	26,348	182,298	(155,950)	(592)
Dividend	1,980	3,759	(1,779)	(90)
Rents	80,375	74,295	6,080	8
Housing Loan	552,001	531,151	20,850	4
Donation income	111,000	111,000	-	-
Repayment of loan by APC Investment	800,000	800,000	-	-
	21,101,779	20,261,434	840,345	4
Payments				
Advisory expenses	(481,760)	(358,728)	(123,032)	26
Examination expenses	(3,558,468)	(3,553,718)	(4,750)	-
Seminar expenses	(3,751,276)	(3,707,231)	(44,045)	1
Employment costs	(5,775,552)	(5,795,061)	19,509	-
Administrative expenses	(3,950,432)	(4,918,317)	967,885	(25)
Other expenses	(22,500)	(21,011)	(1,489)	7
Repayment of NSSF Loan	(1,737,188)	(1,737,188)	-	-
Purchase of PSSSF Equity interest	(677,625)	(677,625)	-	-
Housing Loan	(690,000)	(690,000)	-	-
Purchase of Assets	(456,978)	(456,978)	-	-
	(21,101,779)	(21,915,857)	814,839	(4)
Deficit	-	(1,654,423)	(1,655,184)	

* Budget are prepared based on cash basis and financial statements are prepared on accrual basis. The statement of comparison of budget and actuals are prepared based on cash basis. Additional information about the budget and a reconciliation of amounts as per the above statement and the actual amounts are disclosed in note 53 to the financial statements.

*Explanations on the deviations is on Notes 56 of these financial statement.

.....
CPA Prof. Sylvia Shayo Temu
Chairman
Governing Board

Date: 26/03/2025

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

6.0 NOTE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

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:

8th 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 the 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 recognized 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 Board reviews its trade receivables at each reporting date to assess whether an impairment loss should be recognized in the Statement of Financial Performance. The Board 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 disclosed in notes to the financial statements.

c. Held to maturity investments

The Board 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 Board 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 amortized cost.

d. Useful lives of property 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 by using Government Asset Management System.

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.

Revenue from annual subscription fee is recognized to the extent that it is probable that the economic benefits or service potential will flow to the Board and fair value can be reliably measured.

Annual subscription fee for registered members is due on 1 July each year and is recognized as revenue over the 12-month period ending 30 June. However, since subscription fees are not legally enforceable in all cases, revenue is recognized based on the estimated probability of collectability. At the start of each period, an assessment is made to determine the likelihood of collecting the fees, and revenue is recognized accordingly. If no amount is received in the subsequent period, an adjustment is made retrospectively to reflect the change in estimate or actual collection results.

This is to ensure that revenue is recognized in accordance with accrual accounting principles, reflecting both the timing of revenue recognition over the subscription period and the likelihood of collection.

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 and earned by considering the provision of the services related to the revenue.

b) Revenue from exchange transactions

Dividend revenue: Revenue is recognized 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 recognized when earned.

Other revenue: Other revenue is recognized in the period in which it is earned. This includes sale of publications and library services. Unconditional donation income is recognized 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

The Board held inventories for consumption, i.e., stationeries, are stated at the lower of cost and current replacement cost. The Board use JIT in inventory management of which the Board will purchase immediately before the activities to avoid idle capital.

Cost is determined by the First-In-First-Out (FIFO) method. 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 recognized 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 recognized 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 recognized 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 derecognized. All other expenditure items, which do not meet recognition criteria, are recognized 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 as stipulated in The Public Finance (Management of Public Property) Regulation, 2024 from Reg 9(1)-(7) and second and third schedules. Also, the board adhered to government circular with ref Ka.31/204/01/75 which directed that management to use Government Assets Management System in depreciation computation to be used in preparation of the financial statement.

An item of property and equipment and any significant part initially recognized is derecognized 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 derecognized.

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 amortized 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 programs are recognized 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 amortized 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 amortization, which has been consistently applied, is as The Public Finance (Management of Public Property)

Regulation, 2024. The amortization period and the amortization 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 amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets is recognized 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 recognized in profit or loss when the asset is derecognized.

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

i. Financial assets

Initial recognition and measurement

The NBAA's financial assets include cash, revolving fund loan to staff, TBL Share investments and trade and other receivables, whereas financial liabilities of the NBAA include borrowings and trade payables. Financial assets and financial liabilities are recognized when NBAA becomes a party to the contractual provisions of the instruments.

At initial recognition, NBAA measures a financial asset or financial liability at its fair value plus or minus in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are incremental and directly attributable to the acquisition or

issue of the financial asset or financial liability, such as fees and commissions. Receivables are measured at the transaction price.

Classification and subsequent measurement

Classification and subsequent measurement of financial assets depends on;

- NBAA's business model for managing the asset; and
- The cash flow characteristics of the asset.

Based on these factors, NBAA classifies its financial assets into one of the following three measurement categories: -

▪ Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at fair value through the profit or loss (FVPL), are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

▪ Fair value through net assets/equity

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principals and interest, and that are not designated at fair value through the profit or loss, are measured at fair value through net assets/equity. Movements in the carrying amount are taken through nets assets/equity, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit and loss. When the financial asset is derecognized, interest income from these financial assets is included in 'interest income' using the effective interest rate method.

▪ Fair value through the profit or loss

Assets that do not meet the criteria for amortized cost or Fair value through net assets/equity are measured at fair value through the profit or loss.

The business model assessment is not performed on an instrument-by-instrument basis, but at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The main consideration in determining the different business models across the group is whether the objectives of the business model are met primarily through holding the financial assets to collect contractual cash flows, through the sale of these financial assets, by managing assets and liabilities on a fair value basis, or through a combination of these activities.

NBAA classifies the financial instruments into classes that reflect the nature of information and consider the characteristics of those financial instruments. The classification made can be seen in the table below:

Category (as defined by IPSAS 41)		Class as defined by NBAA
Financial Assets	Amortized cost	Revolving fund issued to staff
		Cash and cash equivalent
		Loan issued to Accountancy Professional Centre
		Trade and other receivables
	Fair value through net assets/equity	NIL
	Fair value through the profit or loss	Tanzania Breweries Limited Share investments

Impairment of financial assets

The NBAA recognizes an allowance for expected Credit losses for all debt instruments not held at air value through the profit or loss. Expected Credit Loss are based on the difference between the contractual cash flows due in accordance to the contract and all the cash flows that NBAA expects to receive, discounted at an approximation of the original effective interest rate. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instruments.

Board applies a simplified approach in calculating Expected Credit Loss for revolving fund issued to staff, loan issued to Accountancy Professional Centre and trade and other receivables. Therefore, Board does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime Expected Credit Loss at each reporting date. Board has established a provisional matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Board considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, Board may also consider a financial asset to be in default when internal or external information indicates that Board is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held. A financial asset is written off when there is no reasonable expectation of recovering contractual cash flows.

De-recognition of financial assets

NBAA will derecognize 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

- 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 Board has transferred substantially all the risks and rewards of the asset, or
 - b) The Board has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

ii. Financial liabilities

Initial recognition and measurement

The NBAA's financial liabilities include trade and other payables, and borrowings. All financial liabilities are recognized 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 amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in the statement of comprehensive income.

De recognition

A financial liability is derecognized 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 de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Trade payable

Accounts payable are obligation to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable is 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 recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

De recognition of a financial liability

A financial liability is derecognized 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 de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

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.

NBAA's investments in joint venture are accounted for using the equity method. Under the equity method, the investment in joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Board's share of net assets of the joint venture since the acquisition date. After application of the equity method, the Board determines whether it is necessary to recognize an impairment loss on its investment in joint venture. At each reporting date, the Board determines whether there is objective evidence that the investment in joint venture is impaired.

If there is such evidence, NBAA calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognizes 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 Board measures and recognizes 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 recognized in profit or loss.

Value added tax

Revenues, expenses, and assets are recognized 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

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 recognized as other income.

n) Employee benefits

Employee benefits are recognized 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, a statutory defined contribution plan, under the PSSSF Act, 2018. The organization's contributions to the defined contribution scheme are charged to the Statement of Financial Performance in the year in which they relate. Board 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 Board 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 Board makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an assets 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 recognized 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 recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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

a) New interpretations IPSAS mandatorily effective at the end of the reporting period

At the reporting date, the following new interpretations were in issue and effective and therefore have been applied in these financial statements.

Conceptual Framework Updates:

Chapter 7: Measurement of assets and liabilities in the financial statement

The objective of the updated version of chapter 7 is to improve measurement guidance across IPSAS by:

- Providing further detailed guidance on the implementation of commonly used measurement bases, and the circumstances under which they should be used;
- Clarifying transaction costs guidance to enhance consistency across IPSAS; and
- Amending, where appropriate, guidance across IPSAS related to measurement at recognition, subsequent measurement, and measurement-related disclosures.

Recommended Practice Guidelines: Reporting Sustainability Program

Information -Amendments to RPGs 1 and 3: Additional Non-Authoritative Guidance

The amendments to RPG 1 added implementation guidance to:

- (a) Emphasize that RPG 1 applies to reporting information on the impact of sustainability programs on an entity's overall finances;
- (b) Explain how sustainability program impacts on the three dimensions (service, revenue, and debt) of long-term fiscal sustainability should be assessed; and
- (c) Highlight the applicable principles for reporting on sustainability program information

Final Pronouncement: Improvements to IPSAS, 2021

The pronouncement deals with non-substantial changes to IPSAS through a collection of amendments that are unrelated, it categorizes the improvements to IPSAS into two parts: -

Part I: General Improvements to IPSAS relates to amendments arise from comments received from stakeholders.

Part II: IFRS alignment improvements to IPSAS relates to amendments arise through consideration of the annual improvements and narrow scope amendments to projects of the IASB.

Final Pronouncement: Amendments to IPSAS 5, Borrowing Costs - Non-Authoritative Guidance

The objective of this pronouncement is to add non-authoritative material to IPSAS 5, Borrowing Costs, and to provide guidance for determining the extent to which borrowing costs can be capitalized. The amendments add implementation guidance and illustrative examples, which IPSAS 5 does not currently contain.

b) New 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 43, Leases

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.

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.

IPSAS 43 will replace IPSAS 13 for reporting periods beginning on or after 1 January 2025 with a retrospective application by default.

The Board is assessing the effects and applicability of this standard in Board financial statements. The Board will apply this standard when it became effective.

IPSAS 44, Non-Current Assets Held for Sale and Discontinued Operations

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:

- Measured at the lower of carrying amount and fair value less costs to sell and depreciation on such assets to cease; and,
- Presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

IPSAS 44 will be effective for reporting periods beginning on or after 1 January 2025

The Board is assessing the effects and applicability of this standard in Board financial statements. The Board will apply this standard when it became effective.

IPSAS 45: Property, Plant and Equipment

IPSAS 45 intends at updating principles drawn from IPSAS 17, Property, Plant, and Equipment by adding new guidance for heritage assets, infrastructure assets, and measurement of property, plant, and equipment.

This is after considering responses to the Consultation Paper (CP), Financial Reporting for Heritage in the Public Sector, and constituents' feedback on infrastructure assets the IPSASB concluded that:

- (a) IPSAS 17 should fully apply to heritage assets that are property, plant, and equipment; and
- (b) Additional authoritative and non-authoritative guidance should be included in IPSAS 45 to clarify its application to heritage and infrastructure assets.

IPSAS 45 will be effective for reporting periods beginning on or after 1 January 2025.

The Board is assessing the effects and applicability of this standard in Board financial statements. The Board will apply this standard when it became effective.

IPSAS 46: Measurement

IPSAS 46 intended to improve measurement guidance across IPSAS by:

- (a) Providing further detailed guidance on the implementation of commonly used measurement bases, and the circumstances under which they should be used;
- (b) Clarifying transaction costs guidance to enhance consistency across IPSAS; and
- (c) Amending, where appropriate, guidance across IPSAS related to measurement at recognition, subsequent measurement, and measurement-related disclosures

IPSAS 46 will be effective for reporting periods beginning on or after 1 January 2025.

The Board is assessing the effects of this standard in Board financial statements. The Board will apply this standard when it became effective.

IPSAS 47: Revenue

IPSAS 47 intended to address the following issues:

- (a) Present revenue guidance in a single standard by replacing IPSAS 9, Revenue from Exchange Transactions, IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers);
- (b) Clarify and refine the accounting principles and concepts to account for revenue transactions in the public sector; and
- (c) Provide non-authoritative guidance to help preparers use professional judgment in applying the accounting principles consistently.

IPSAS 47 will be effective for reporting periods beginning on or after 1 January 2026.

The Board is assessing the effects and applicability of this standard in Board financial statements. The Board will apply this standard when it became effective.

IPSAS 48: Transfer Expenses

IPSAS 48 intended to address the following issues:

- a) Revise the accounting of transfer expenses to move away from the Public Sector Performance Obligation Approach and to focus on whether the transfer transaction results in the recognition of an asset;
- b) Focus on the accounting from the perspective of the transfer provider (the entity); and
- c) Streamline the requirements for measurement, as well as presentation and disclosure.

IPSAS 48 will be effective for reporting periods beginning on or after 1 January 2026.

The Board is assessing the effects and applicability of this standard in Board financial statements. The Board will apply this standard when it became effective.

IPSAS 49: Retirement Benefit Plans

IPSAS 49 is intended to prescribe the accounting and reporting requirements for public sector retirement benefit plans, which provide retirement benefits to public sector employees and other eligible participants.

IPSAS 49 establishes comprehensive accounting and reporting requirements for the financial statements of retirement benefit plans, with participants comprising current and former public sector employees and other eligible members.

IPSAS 49 will be effective for reporting periods beginning on or after 1 January 2026. The Board is assessing the effects of this standard in Board financial statements. However, the Board will not use this standard as its specific for the retirement benefit scheme institution.

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

	2023/24	2022/23
	TZS '000	TZS '000
7. CASH AND CASH EQUIVALENTS		
CRDB Ac 01J1042978100	2,714	91,273
CRDB Ac 01J1042978101	29,368	30,136
CRDB Ac 01J1042978102	4,337	6,439
BOT Ac 9925261011	87,829	1,597,217
CRDB Ac 01J1005553500	316	51,036
BOT Ac 993244221	11,098	11,098
NMB Ac 22310034889	-	2,886
Total Bank Balance	135,662	1,790,085
Closing Balance of the expected credit loss	(761)	(3,840)
	<u>134,901</u>	<u>1,786,245</u>
Movement of provision for expected credit loss		
Opening balance	3,840	12,064
Charge for the year	761	3,840
Recovery of expected credit loss	(3,840)	(12,064)
Closing Balance of the expected credit loss	<u>761</u>	<u>3,840</u>
<p>Cash and cash equivalents comprise cash held with banks. Cash and cash equivalents were not pledged to fulfil collateral requirements. Cash remained at the end of the year was set aside for purchase of ICT equipment's and other to finance other Boards activities including commitments for NBAA Dodoma Office constructions</p>		
	2023/24	2022/23
8. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Receivables from the exchange transaction	332,801	151,060
Staff loan from revolving fund - Note 8(b)	1,299,471	1,056,095
Closing balance of expected credit loss	(72,980)	(71,145)
Other receivables - Note 8 (a)	844,588	561,383
Receivable from related parties -Note 42	430,458	309,477
	<u>2,834,338</u>	<u>2,006,870</u>
Note 8(a) Other receivables		
Salary advances	24,145	24,420
Special Imprest	1,355	81,802
Salary overpayment from Minister of Finance (MoF)	23,408	30,800
Membership fees receivable	517,072	347,534
Advances and prepayment	224,647	22,866
PAYE receivable	53,961	53,961
	<u>844,588</u>	<u>561,383</u>

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

Note 8 (b) Movement of loan receivable

Opening balance	1,056,095	1,135,420
Loan issued during the year	686,153	359,747
Loan repayment during the year	(442,777)	(439,072)
Closing balance	1,299,471	1,056,095

	2023/24	2022/23
	TZS '000	TZS '000
Opening Balance	71,145	66,166
Charge for the year	72,980	71,145
Recovery of expected credit loss	(71,145)	(66,166)
Closing balance of the expected credit loss	72,980	71,145

9. FINANCIAL ASSETS/ QUOTED EQUITIES

Shares -Tanzania Breweries Limited	76,300	76,300
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NBAA owns 7,000 fully paid ordinary shares of Tanzania Breweries Limited with par value of TZS 100 each. As at the reporting date 30 June 2024, each share had a market value of TZS 10,900 (2023: TZS 10,900).

10. LOAN RECEIVABLE FROM APC

Loan to APC Investment	21,166,154	21,366,025
Accrued interest	961,517	1,018,921
Transferred to additional investment	(937,188)	(578,792)
Loan repayment by APC	(800,000)	(640,000)
Carrying amount	20,390,483	21,166,154

	2023/24	2022/23
	TZS '000	TZS '000
Current portion	802,482	802,482
Non-current portion	19,588,001	20,363,672
	20,390,483	21,166,154

In 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.

In September 2020, NSSF and NBAA agreed on a loan restructuring that resulted to waived penalties and converted the outstanding loan and interest agreed to a starting principal loan amount of TZS 27,522,520,642 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 2,082,785,600 annually

In 2022 NBAA and NSSF in presence of Ministry of Finance and Planning had a review on the revised payment schedule and found that capitalized interest was calculated on compound interest rate instead of accrued interest rate due to lack of clarity on the contract and 1% investigation fee was wrongly charged as the addendum on the investigation fee was signed on 26 November 2012 hence the disbursements were not subjected to investigation fee hence the loan had to be charged interest basing on actual cash received TZS 14,900,000,000 hence has led to a decrease in loan by 4.78 billion as at the date of maturity and the repayment fixed amount has been changed to 1.737 billion.

In 2018, NBAA entered an agreement with APC Investment Centre, as stated in the agreement, "the borrower [APC Investment Centre] agreed to receive the loan which was taken by NBAA from NSSF under the Government guarantee for construction of the APC Investment Centre." The loan has the same terms and conditions of the original agreement with NSSF.

This being the case, the loan between NBAA and APC have been restructured to reflect above changes as well. Compliance with terms and conditions of the loan agreement the repayment of a fixed amount of TZS 2,082,785,600 annually was adhered to.

As a result of a review of the repayment schedule of the loan between NSSF, NBAA and the Ministry of Finance and Planning (MoFP) in 2022, The Centre will be required to meet payment of a fixed amount of TZS 1.737 billion.

The loan Balance as per schedule stood at TZS 18.36 billion and the balance as per reporting computation stood at TZS 20.21 billion making a difference of TZS 1.84 billion resulting from taking into consideration of accrued (unpaid) interest in the computations of the reporting balance as at June 2024.

11.	INVENTORIES	2023/24	2022/23
		TZS '000	TZS '000
	Stationery	5,588	5,588
	Books and publication stocks	-	308,266

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

Transfer of bookshop books to library	-	(308,266)
Stationary used during the year	(5,588)	;
Less: Provision for obsolete stock	-	(2,490)
	-	3,098
<i>Movement of provision of obsolete stock:</i>		
At the beginning of the year	2,490	89,490
Stationary used during the year	(2,490)	
Transfer of obsolete to impairment	-	(87,000)
At the end of the year	-	2,490
12. INVESTMENT IN JOINT VENTURE		
At the beginning of the year	8,053,405	7,602,807
Additional investment in joint venture	937,188	578,793
Share of loss for the period	(835,159)	(768,195)
Subtotal	8,155,434	7,413,405
<i>Purchase of PSSSF equity at APC</i>		
Net assets purchase from PSSSF	350,534	338,584
Goodwill on Purchase of equity contributions - PSSSF	327,092	301,416
Subtotal	677,626	640,000
Total investment in joint venture as at 30 June	8,833,060	8,053,405
<i>Share of loss for the period</i>		
Loss as reported by APC Investment	(1,246,506)	(1,200,303)
Percentage of NBAA contribution in APC Investment	67%	64%
Share of loss in the investment for the period	(835,159)	(768,194)

APC Investment Centre is an investment in joint venture between NBAA and 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 67% (2024: 64%) for NBAA and 33% (2024: 33%) 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.

The carrying amount of investment in Joint Venture include goodwill amounting to TZS 327.09 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.

**EXTRACT OF FINANCIAL STATEMENTS OF APC INVESTMENT CENTRE
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024**

	2023/24	<i>Restated</i> 2022/23
	TZS '000	TZS '000
Revenue	5,329,309	4,392,131
Cost of sales	(945,766)	(717,488)
Gross profit	4,383,543	3,674,643
Other income	154,757	170,129
Staff costs	(1,092,343)	(818,286)
Administrative expenses	(1,708,642)	(1,216,381)
Depreciation and amortization expenses	(2,022,304)	(1,991,487)
Finance costs	(961,517)	(1,018,921)
	(5,630,049)	(4,874,946)
Loss for the year	(1,246,506)	(1,200,303)

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

**EXTRACT OF FINANCIAL STATEMENTS OF APC INVESTMENT CENTRE
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024**

ASSETS	2023/24	<i>Restated</i> 2022/23
NON-CURRENT ASSETS	TZS	TZS
Land	424,755	424,755
Property, plant and equipment	25,020,547	26,737,933
Total non-current assets	25,445,302	27,162,688
CURRENT ASSETS		
Inventory	55,058	52,677
Trade and other receivables	1,620,923	561,162
Cash and cash equivalents	1,440,065	1,656,773
Total current assets	3,116,046	2,270,612
TOTAL ASSETS	28,561,348	29,433,300
EQUITY		
Equity contribution	26,682,984	25,745,796
Retained earnings	(18,880,489)	(17,708,830)
Total equity	7,802,495	8,036,966
LIABILITIES		
Non-current liabilities		
Loan from NBAA	20,390,483	21,166,154
Current liabilities		
Trade and other payables	287,086	216,706
Advances from customers	81,284	13,474
Total current liabilities	368,370	230,180
Total liabilities	20,758,853	21,396,334
TOTAL EQUITY AND LIABILITIES	28,561,348	29,433,300

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

13. (a) PROPERTY AND EQUIPMENT

	Buildings	Office household and furniture	Motor vehicles	Office equipment	Library books	Graduation gowns	Land	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS'000	TZS '000	TZS '000	TZS'000
Cost								
At 1 July 2023	2,734,204	426,928	634,590	2,308,920	530,133	66,594	9,578,652	16,280,021
Additions	-	53,781	-	35,000	-	-	-	88,781
At 30 June 2024	<u>2,734,204</u>	<u>480,709</u>	<u>634,590</u>	<u>2,343,920</u>	<u>530,133</u>	<u>66,594</u>	<u>9,578,652</u>	<u>16,368,802</u>
Accumulated depreciation								
At 1 July 2023	833,828	238,470	300,857	1,386,545	271,565	21,129	-	3,052,394
Charge for the year	54,684	33,862	39,675	230,847	46,548	6,659	-	412,275
At 30 June 2024	<u>888,512</u>	<u>272,332</u>	<u>340,532</u>	<u>1,617,392</u>	<u>318,113</u>	<u>27,788</u>	<u>-</u>	<u>3,464,669</u>
Carrying value								
At 30 June 2024	<u>1,845,692</u>	<u>208,377</u>	<u>294,058</u>	<u>726,528</u>	<u>212,020</u>	<u>38,806</u>	<u>9,578,652</u>	<u>12,904,133</u>
Cost								
At 01 July 2022	2,691,947	387,086	634,590	2,049,694	221,867	66,594	9,292,532	15,344,310
Additions	42,257	39,842	-	259,226	308,266	-	387,120	1,036,711
Disposal	-	-	-	-	-	-	(101,000)	(101,000)
At 30 June 2023	<u>2,734,204</u>	<u>426,928</u>	<u>634,590</u>	<u>2,308,920</u>	<u>530,133</u>	<u>66,594</u>	<u>9,578,652</u>	<u>16,280,021</u>
Accumulated depreciation								
At 1 July 2022	779,144	210,633	261,182	1,198,758	168,843	14,470	-	2,633,030
Charge for the year	54,684	27,837	39,675	187,787	15,722	6,659	-	332,364
Impairment loss	-	-	-	-	87,000	-	-	87,000
At 30 June 2023	<u>833,828</u>	<u>238,470</u>	<u>300,857</u>	<u>1,386,545</u>	<u>271,565</u>	<u>21,129</u>	<u>-</u>	<u>3,052,394</u>
Carrying value								
At 30 June 2023	<u>1,900,376</u>	<u>188,458</u>	<u>333,733</u>	<u>922,375</u>	<u>258,568</u>	<u>45,465</u>	<u>9,578,652</u>	<u>13,227,627</u>

13. (b) WORK IN PROGRESS

	2023/24 TZS	2022/23 TZS
Cost		
At the beginning of the year	-	-
Addition during the year	91,951	-
At the end of the year	<u>91,951</u>	<u>-</u>
Amortization		
At the beginning of the year	-	-
Charge for the year	-	-
At the end of the year	<u>-</u>	<u>-</u>
Carrying value	<u>91,951</u>	<u>-</u>

* Following government shifting to Dodoma, the element of WIP represents the initial costs for establishing the Board office in Dodoma.

* The Board owned three plots no. 40 and 41 Block D Mbuyuni Kizota Dodoma with 19,364 square metres and plot 2,3 and 4 Block A Kisutu Dar es salaam with 1.614 hectares.

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

14.	INTANGIBLE ASSETS		
	Cost		
	At the beginning of the year	382,995	382,995
	Addition during the year	276,246	-
	At the end of the year	<u>659,241</u>	<u>382,995</u>
	Amortization		
	At the beginning of the year	(203,057)	(124,960)
	Charge for the year	(78,097)	(78,097)
	At the end of the year	<u>(281,154)</u>	<u>(203,057)</u>
	Carrying value	<u>378,087</u>	<u>179,938</u>
	Intangible asset related to the in-house software for students' registration and members registration (MEMS).		
15.	TRADE AND OTHER PAYABLES		
	Trade payables	466,314	95,324
	Other payables	134,240	137,695
		<u>600,554</u>	<u>233,019</u>
16.	PROVISION OF LIABILITIES AND CHARGES		
	At start of year	65,113	122,125
	Charge for the year	71,676	65,113
	Used amounts (paid)	(65,113)	(122,125)
	At the end of the year	<u>71,676</u>	<u>65,113</u>
	*Provision of liabilities and charges represents provision for staff leave and long-term service awards.		
			<i>Restated</i>
		2023/24	2022/23
17.	BORROWINGS	TZS '000	TZS '000
	At the start of the year	21,166,154	21,366,025
	Accrued interests (note 25)	961,518	1,018,921
	Loan repayment during the year	(1,737,189)	(1,218,792)
	As at 30 June	<u>20,390,483</u>	<u>21,166,154</u>
	Current portion	802,482	802,482
	Non-current portion	19,588,001	20,363,672
		<u>20,390,483</u>	<u>21,166,154</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 2020, 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 stood at 20.39 billion at the end June 2024. The repayment of a fixed amount of TZS 1,737 million annually was adhered to.

18. REVENUE FROM NON-EXCHANGE

Subvention from Treasury - Note 18(a)	2,268,137	2,290,120
Professional fees and training - Note 18(c)	4,108,001	3,779,099
Examination fee	5,212,830	4,893,990
Seminar fees	7,022,639	6,580,180
Other non-exchange income	111,000	233,064
	<u>18,722,607</u>	<u>17,776,453</u>
Note 18 (a) Subvention from Treasury		
Salary	2,268,137	1,903,000
Land acquisition	-	387,120
	<u>2,268,137</u>	<u>2,290,120</u>

Salary includes net salary to staff and statutory deductions, net salary was paid directly from the source to NBAA staff accounts (from the source) and the statutory deductions of TZS 325.385 Million in 2024 and TZS 371.299 2023 was received at NBAA for remittance to respectively authorities.

Note 18(b) Internal source contribution

Professional fees and training - Note 18(c)	4,108,001	3,779,099
Examination fee	5,212,830	4,893,990
Seminar fees	7,022,639	6,580,180
Other non-exchange income	111,000	233,064
Revenue from exchange transaction(19)	804,210	454,310
Other income (20)	1,050,668	1,270,852
	<u>18,309,348</u>	<u>17,211,495</u>

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

	2023/24	2022/23
	TZS '000	TZS '000
Note 18 (c) Professional fees and training		
Application fees	400,484	358,050
Professional fees	73,270	121,540
Membership annual fees	1,498,297	1,575,038
Professional and training fees	1,543,485	1,140,633
Registration fees	164,540	145,820
Certificate of competence	24,375	34,695
Fines and penalties	403,550	403,323
	<u>4,108,001</u>	<u>3,779,099</u>
19. REVENUE FROM EXCHANGE TRANSACTIONS		
Fee from advisory services	547,617	205,250
Sale of publications	-	22,713
Miscellaneous revenue	182,298	147,126
Rent	74,295	79,221
	<u>804,210</u>	<u>454,310</u>
20. OTHER INCOME		
Dividend income	3,759	2,030
Other income from payable	10,408	52,248
Doubtful debt recovery	-	119,423
Interest from APC Investment Centre - (Note 10)	961,517	1,018,921
Recovery ECL from cash and cash equivalent - Note (7)	3,840	12,064
Recovery ECL from debtors	71,144	66,166
	<u>1,050,668</u>	<u>1,270,852</u>
21. OPERATING EXPENSES		
a. Advisory expenses		
Traveling and accommodation	107,625	30,400
Venue hiring	50,385	37,885
Incentives and wages	86,424	34,017
Consultancy costs	44,951	25,138
Meal allowance/expenses	18,900	16,090
Printing, postages, and telephone	47,318	40,318
Fuel	3,125	2,850
	<u>358,728</u>	<u>186,698</u>

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

	2023/24	2022/23
b. Examination expenses	TZS '000	TZS '000
Traveling and accommodation	803,833	605,109
Venue hiring and exam assembly	690,876	492,600
Printing and stationery	277,871	226,904
Examination setting and moderation	174,380	124,380
Marking and moderation of exams	472,907	372,907
Incentives and wages	304,900	254,900
Invigilation	144,280	96,280
Meal allowance / expenses	249,269	129,433
Extra duty allowance	441,650	361,650
Staff welfare and medical	277,821	262,214
NBAA students prize	28,584	12,600
Postages and telephone	2,485	210
Vehicle fuel	4,575	1,850
	<u>3,873,431</u>	<u>2,941,037</u>
c. Seminar expenses		
Traveling and accommodation	188,395	168,395
Venue hiring	2,087,774	1,847,984
Incentives and wages	958,339	832,350
Printing and stationery	301,732	272,569
Telephone and postages	530	707
Advertisement and entertainment	22,690	11,000
Fuel	4,700	2,700
	<u>3,564,160</u>	<u>3,135,705</u>
	<u>7,796,319</u>	<u>6,263,440</u>
22. EMPLOYMENT COSTS		
Salaries	2,268,137	1,910,912
Staff telephone, furniture and other benefits	327,456	325,706
Staff training	75,530	70,879
Staff medical and pension contribution	293,110	250,137
Staff leave passage	229,840	239,774
Staff uniforms and staff welfare	2,733,700	2,484,797
	<u>5,927,773</u>	<u>5,282,205</u>

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

		2023/24	2022/23
23.	ADMINISTRATIVE EXPENSES	TZS '000	TZS '000
	Directors' fees	81,949	81,212
	Board meeting expenses	382,378	374,236
	Postages and telephones	4,744	5,412
	Vehicle running expenses	24,936	22,892
	Traveling and accommodation	1,098,061	915,078
	Facilitation expenses	24,354	23,416
	Printing, publications and stationery	36,732	28,794
	Subscriptions and periodicals	198,320	158,247
	Advertising	37,576	34,423
	Promotional materials	39,400	25,755
	Audit fees	78,080	77,434
	AQR consultancy cost	66,840	66,840
	Tender valuation	2,000	23,550
	Incentives and wages	1,937,825	1,777,688
	Office expenses	113,514	110,596
	Hall/venue hiring	421,694	221,694
	Cost of books sold	-	7,526
	Office rent	69,763	69,763
	Land rent and property taxes	27,670	23,986
	Electricity and water	88,063	85,887
	Repairs and maintenance	45,963	46,153
	Insurance	13,773	17,183
	AAAB Operation costs	144,173	-
	Disbursement to treasurer	100,000	100,000
		<u><u>5,037,808</u></u>	<u><u>4,297,765</u></u>
24.	OTHER EXPENSES		
	Bank charges	21,011	18,223
	Amortization of intangible assets	78,097	78,097
	Cash and Cash equivalent ECL for the year	761	3,840
	Trade debtors ECL for the year	72,980	71,145
	Exchange loss	-	49,931
	Loss on foreign Exchange	-	176
	Loss on disposal of Land	-	101,000
	Provision for staff advances	-	13,675
		<u><u>172,849</u></u>	<u><u>336,087</u></u>

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

		2023/24	2022/23
		TZS '000	TZS '000
25.	FINANCE COSTS		
	Interest on borrowings	961,517	1,018,921

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 2020, 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 stood at 20.39 billion at the end June 2024. The repayment of a fixed amount of TZS 1.737 million annually was adhered to.

26. **CASH FLOW RECONCILIATION (BY INDIRECT METHOD) SURPLUS FOR THE YEAR RECONCILED TO CASH FLOW FROM OPERATING ACTIVITIES**

		2023/24	2022/23
	Notes	TZS '000	TZS '000
Operating activities			
Surplus for the year		(566,215)	1,202,640
<i>Adjust for:</i>			
Depreciation expenses	13	412,275	332,364
ECL recovery for the year	7	(74,984)	(78,230)
Amortization intangible	14	78,097	78,097
Recovery from Bad Debts	8	-	(119,422)
ECL Charge receivables	8	73,741	138,590
Land Acquired	18	-	(387,120)
Foreign Exchange loss	24	-	177
Loss on disposal	24	-	101,000
Share of loss	12	835,159	768,194
<i>Working capital changes:</i>			
Changes in receivables	8	(829,303)	359,422
Changes in inventory	11	3,098	49,227
Changes in payables	15 & 16	374,098	(334,607)
Cash flow from operating activities		305,966	2,110,332

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

	2023/24	2022/23
	TZS '000	TZS '000
27. SUBVENTION FROM GOVERNMENT		
Subvention salary(Saccoss and TUICO)	325,385	371,299
28. PROFESSIONAL FEES		
Membership application fee	118,740	117,900
Candidate application fee	1,176,800	1,086,787
Annual subscription fee	2,642,922	2,498,382
	3,938,462	3,703,069
29. EXAMINATION FEES		
CPA examination fees	5,158,110	4,777,770
IPSAS examination fee	54,720	116,220
	5,212,830	4,893,990
30. SEMINAR FEE		
Seminar fees	5,875,349	5,792,730
Workshop fee	1,052,900	925,600
	6,928,249	6,718,330
31. FEE FROM ADVISORY SERVICES		
Fee from advisory services	398,738	217,250
32. SALES OF PUBLICATIONS		
Sales of books	-	22,713
32B HOUSING LOAN		
Receipt from housing loan	531,151	112,902
33. MISCELLANEOUS REVENUE		
Searching fee	400	300
Late Certificate collection	35,640	24,740
Certificate covers	142,499	120,056
	178,539	145,096
34. RENT REVENUE		
Rent collection	55,686	72,514
Rent received from renting of ten (10) rooms at Mhasibu house during the year 2023/24.		
35. DONATION REVENUE		
Donation collection	111,000	233,064

Donations received from 18 well-wishers who support our activities during the year 2023/24.

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

	2023/24	2022/23
	TZS '000	TZS '000
36. ADVISORY EXPENSES		
Traveling and accommodation	107,625	30,400
Venue hiring	50,385	37,885
Incentives and wages	86,424	34,017
Consultancy	44,951	25,138
Meal allowance / expenses	18,900	16,090
Printing, postages and telephone	47,318	40,318
Fuel	3,125	2,850
	<u>358,728</u>	<u>186,698</u>
37. EXAMINATION EXPENSES		
Traveling and accommodation	803,833	456,834
Venue hiring and exam assembly	371,163	512,600
Printing and stationery	277,871	227,008
Examination setting and moderation	174,380	174,380
Marking and moderation of exams	472,907	422,907
Incentives and wages	304,900	331,000
Invigilation	144,280	96,280
Meal allowance / expenses	249,269	119,278
Extra duty allowance	441,650	361,650
Staff welfare and medical	277,820	196,060
NBAA students prize	28,584	12,600
Postages and telephone	2,485	210
Vehicle fuel	4,575	1,850
	<u>3,553,717</u>	<u>2,912,657</u>
38. SEMINAR EXPENSES		
Traveling and accommodation	188,395	156,611
Venue hiring	2,230,845	1,835,792
Incentives and wages	958,339	713,432
Printing and stationery	301,731	272,569
Telephone and postages	530	530
Advertisement and entertainment	22,690	11,000
Fuel	4,700	2,700
	<u>3,707,230</u>	<u>2,992,634</u>

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

	2023/24	2022/23
	TZS 000	TZS 000
39. EMPLOYMENT COSTS		
Salaries	2,268,137	1,910,912
Staff telephone, furniture and other benefits	327,456	325,706
Staff training	75,530	70,879
Staff medical and pension contribution	293,110	250,137
Staff leave passage	229,840	239,774
Staff uniforms and staff welfare	2,733,700	2,484,797
	<u>5,927,773</u>	<u>5,282,205</u>
Direct payment to beneficiaries by the Ministry of Finance	<u>(1,640,855)</u>	<u>(1,383,766)</u>
Total employment costs	<u>4,286,918</u>	<u>3,898,439</u>
40. ADMINISTRATIVE EXPENSES		
Directors' fees	81,949	81,212
Board meeting expenses	382,378	374,236
Postages and telephones	4,684	5,412
Vehicle running expenses	24,936	22,892
Traveling and accommodation	1,098,061	915,076
Facilitation expenses	24,354	23,416
Printing, publications and stationery	36,732	28,794
Subscriptions and periodicals	198,320	158,247
Advertising	37,576	34,423
Promotional materials	39,400	25,755
Audit fees	77,440	77,334
AQR Consultancy Cost	66,840	66,840
Tender valuation	2,000	23,550
Incentives and wages	1,806,208	1,677,688
Office expenses	88,664	110,596
Hall/venue hiring	310,070	184,303
Cost of goods sold	-	7,526
Office rent	69,763	69,763
Land rent and property taxes	27,670	23,986
Electricity and water	84,276	85,887
Repairs and maintenance	45,962	46,253
Insurance	8,773	17,183
AAAB Operation costs	144,173	-
Disbursement to treasurer	100,000	100,000
	<u>4,760,229</u>	<u>4,160,372</u>

41.	OTHER EXPENSES	2023/24	2022/23
		TZS 000	TZS 000
		21,011	18,223
	Bank charges	21,011	18,223
41B	HOUSING IOAN	690,000	212,902
	Housing loan payments		

42. 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:

	2023/24	2022/23
	TZS 000	TZS 000
Transactions		
(a) Directors' fees	81,949	81,212
The Board consist 12 members including Chairperson.		
(b) Key management personnel		
Short term benefits	1,195,685	996,654
Key Management costs of 9 staff including Executive Director.		
(c) Ministry of Finance (Salary Subvention Fund)	2,268,137	2,290,120
(d) Transactions with APC Investment Centre		
Conference and venue hiring	1,424,799	1,318,818
Additional investment	937,188	578,792
	2,361,987	1,897,610

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

Balance	2023/24	2022/23
Loan to APC Investment for Construction of Bunju Centre	TZS 000	TZS 000
As at 1 July 2023	20,993,355	21,193,226
Net loan movement	(775,671)	(199,871)
As at 30 June 2024	<u>20,217,684</u>	<u>20,993,355</u>

Balances with related parties

Loans/advances to key management personnel

At the beginning of the year	309,477	366,064
Loans given	221,686	-
Repayments	(100,705)	(56,587)
Loans/advances outstanding balances (Note 8)	<u>430,458</u>	<u>309,477</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.

FINANCIAL INSTRUMENTS

43.1 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.

Financial assets	Carrying amounts	
Receivables from exchange transactions	2,907,318	2,078,014
Loan receivable from APC Investment Centre	20,390,483	21,166,154
Cash and cash equivalents	135,662	1,790,085
Financial assets	76,300	76,300
	<u>23,509,763</u>	<u>25,110,553</u>
Financial liabilities		
Trade and other payables	600,554	233,019
Provision for liabilities and charges	71,676	65,113
Borrowings	20,390,483	21,166,154
	<u>21,062,713</u>	<u>21,464,286</u>

NOTE 43.2 Financial instruments by category

As at 30 June 2024

Financial assets	Loans and receivables TZS '000	Available-for-sale financial assets TZS '000	Total TZS '000
Receivable from exchange transactions	2,907,318	-	2,907,318
Loan receivables from APC Investment Centre	20,390,483	-	20,390,483
Cash and cash equivalents	135,662	-	135,662
Financial assets	-	76,300	76,300
	23,433,463	76,300	23,509,763

Financial liabilities	Held at amortized cost TZS '000	Total TZS '000
Payables from exchange transactions	600,554	600,554
Provision for liabilities and charges	71,676	71,676
Borrowings -NSSF Loan	20,390,483	20,390,483
	21,062,713	21,062,713

	Loans and receivables	Available-for-sale financial assets	Total
	TZS '000	TZS '000	TZS '000
As at 30 June 2023			
Financial assets			
Receivable from exchange transactions	2,078,014	-	2,078,014
Loan receivables from APC Investment Centre	21,166,154	-	21,166,154
Cash and cash equivalents	1,790,085	-	1,790,085
Financial assets	-	76,300	76,300
	<u>25,034,253</u>	<u>76,300</u>	<u>25,110,553</u>
		Held at amortized cost	Total
Financial liabilities			
Payables from exchange transactions		TZS '000	TZS '000
Provision for liabilities and charges		233,019	233,019
Borrowings - NSSF Loan		65,113	65,113
		<u>21,166,154</u>	<u>21,166,154</u>
		<u>21,464,286</u>	<u>21,464,286</u>

43.3 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).

As at 30 June 2024

Level 1 **Level 2** **Total**

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

	TZS '000	TZS '000	TZS '000
Financial assets			
Receivables from exchange transaction	-	2,907,318	2,907,318
Loan receivables from APC Investment	-	20,390,483	20,390,483
Cash and cash equivalents	-	135,662	135,662
Financial assets	76,300	-	76,300
	76,300	23,433,463	23,509,763
Financial liabilities			
Payables from exchange transactions	-	600,554	600,554
Provision for liabilities and charges	-	71,676	71,676
Borrowings -NSSF Loan	-	20,390,483	20,390,483
	-	21,062,713	21,062,713
As at 30 June 2023			
Financial assets			
Receivables from exchange transaction	-	2,078,014	2,078,014
Loan receivables from APC Investment	-	21,166,154	21,166,154
Cash and cash equivalents	-	1,790,085	1,790,085
Financial assets	76,300	-	76,300
	76,300	25,034,253	25,110,553
Financial liabilities			
Payables from exchange transactions	-	233,019	233,019
Provision for liabilities and charges	-	65,113	65,113
Borrowings -NSSF Loan	-	21,166,154	21,166,154
	-	21,464,286	21,464,286

4 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 risks, Currency risk and Liquidity risk.

4.1 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 2024 and 30 June 2023 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 2024, the maximum exposure to credit risk was as follows:

	Neither past due nor impaired	Past due and impaired	Total
	TZS'000	TZS'000	TZS'000
As at 30 June 2024			
Receivables from exchange transaction	2,834,338	72,980	2,907,318
Loan receivable from APC	20,390,483	-	20,390,483
Cash and cash equivalents	134,901	761	135,662
Financial assets	76,300	-	76,300
Maximum exposure to credit risk	23,436,022	73,741	23,509,763

	Neither past due nor impaired TZS'000	Past due and impaired TZS'000	Total TZS'000
As at 30 June 2023			
Receivables from exchange transaction	2,006,870	71,144	2,078,014
Loan receivable from APC	21,166,154	-	21,166,154
Cash and cash equivalents	1,782,405	3,840	1,786,245
Financial assets	76,300	-	76,300
Maximum exposure to credit risk	<u>25,031,729</u>	<u>74,984</u>	<u>25,031,729</u>

44.2 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.

44.3 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 2024, the Board had a positive liquidity gap of TZS 2.45 billion (2023: 3.65 billion). The liquidity gap has decreased due to the decrease of the cash and cash equivalent which is used in financing of the repayment of the NSSF loan and review of the syllabus and learning materials.

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.

NOTE 44.3 Liquidity risk

	Contractual obligation				Total
	0-3 months	3-6 months	6-12 months	Above 12 months	
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
As at 30 June 2024					
Financial assets					
Receivables from exchange transaction	2,907,318	-	-	-	2,907,318
Loan receivable from APC Investment	-	401,241	401,241	19,558,001	20,360,483
Cash and cash equivalents	135,662	-	-	-	135,662
Financial assets	<u>3,042,980</u>	<u>401,241</u>	<u>401,241</u>	<u>19,634,301</u>	<u>23,479,763</u>
Financial liabilities					
Payables from exchange transaction	600,554	-	-	-	600,554
Provision for liabilities and charges	-	-	-	71,676	71,676
Borrowings - NSSF Loan	-	401,241	401,241	19,588,001	20,390,483
Liquidity risk gap	<u>600,554</u>	<u>401,241</u>	<u>401,241</u>	<u>19,659,677</u>	<u>21,062,713</u>
	<u>2,442,426</u>	-	-	<u>4,624</u>	<u>2,447,050</u>
As at 30 June 2023					
Financial assets					
Receivables from exchange transaction	2,078,014	-	-	-	2,078,014
Loan receivable from APC Investment	-	401,241	401,241	20,363,672	21,166,154
Cash and cash equivalents	1,790,085	-	-	-	1,790,085
Financial assets	<u>3,868,099</u>	<u>401,241</u>	<u>401,241</u>	<u>20,439,972</u>	<u>25,110,553</u>
Financial liabilities					
Payables from exchange transaction	233,019	-	-	-	233,019
Provision for liabilities and charges	-	-	-	65,223	65,223
Borrowings - NSSF Loan	-	401,241	401,241	20,363,672	21,166,154
Liquidity risk gap	<u>233,019</u>	<u>401,241</u>	<u>401,241</u>	<u>20,428,895</u>	<u>21,464,396</u>
	<u>3,635,080</u>	-	-	<u>11,077</u>	<u>3,646,157</u>

45. 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.

	2023/24	2022/23
	TZS '000	TZS '000
Employer's contribution	<u>281,829</u>	<u>226,477</u>

46. 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.

	2023/24	2022/23
	TZS '000	TZS '000
The capital balance stood at:		
Accumulated surplus	16,069,017	16,635,232
Contribution from the Government	6,568,922	6,568,922
As at 30 June	<u>22,637,939</u>	<u>23,204,154</u>

47. CONTRIBUTION FROM THE GOVERNMENT

Contribution from the Government	<u>6,568,922</u>	<u>6,568,922</u>
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Contribution from the Government amounting to TZS 6.569 billion (2023: TZS 6.569 billion) 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.

48. SPECIAL RESERVE

The Board set up a Revolving Fund Account since the 1994/95 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% (2023: 7.85%) interest. Interest generated will be accumulated to increase the revolving fund.

The special reserve balance stood at:

At the beginning of the year	1,831,198	1,953,748
Interest received - revolving fund	111,403	112,902
Provision of staff loan	-	(235,452)
	<u>1,942,601</u>	<u>1,831,198</u>

49. COMMITMENTS AND CONTINGENCIES

49.1 Capital commitments

As at the reporting date, NBAA had capital commitment amounting to TZS 0. 673 billion (2022: 0.146 billion). The commitment relates to the consultancy for construction contract of NBAA Dodoma offices.

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 0.678 billion each year and this amount includes principal equity amount and premium. As at reporting date the Board has commitment amounting to TZS 8,552,567,771 as shown on Joint venture Agreement Purchase schedule.

49.2 Operating lease commitments

a. Leases as lessee

Future minimum lease payment under operating lease

	2023/24 TZS '000	2022/23 TZS '000
Within one year	69,763	69,763
Later than one year and not later than five years	69,763	69,763
	<u>139,526</u>	<u>139,526</u>

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 (2023: TZS 69.8 million). Leased premises are contracted for the one year, with renewal options.

b. Leases as lessor

	2023/24 TZS '000	2022/23 TZS '000
Future minimum lease receipt under operating leases		
Within one year	<u>78,780</u>	<u>79,221</u>

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 78.78 million (2023: TZS 79.22 million).

49.3 Contingent liabilities

As at the year ended 30 June 2024, NBAA had no pending circumstance which could necessitate disclosure of the contingent liability (2023: Nil).

50.

EVENTS AFTER THE REPORTING PERIOD

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.

51.

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.

52.

RESTATED COMPARATIVE FIGURES FOR PREVIOUS YEARS

Cash and Cash equivalent

During the year 2024, the Board adopted IPSAS 41 in preparation of the financial statements which require the Board to apply it retrospectively according to IPSAS 3 Changing of accounting policies, estimates and errors. Therefore, the Board restated the amount of cash and cash equivalent reported in year 2022/23.

Receivable from exchange transaction

During the year 2024, the Board adopted IPSAS 41 in preparation of the financial statements which require the Board to apply it retrospectively according to IPSAS 3 Changing of accounting policies, estimates and errors. Therefore, the Board restated the amount of Receivable from exchange transaction reported in year 2022/23 by TZS 0.012 billion.

Receivables from the annual fees

During the year the board corrected the error in treatment of the annual subscription fee from cash basis mode to accrual by using best estimate revenue mode which require the Board to apply it retrospectively according to IPSAS 3 Changing of accounting policies, estimates and errors. Therefore, the Board restated the amount of Receivable from exchange transaction reported in year 2022/23 by TZS 0.347 billion. The Board estimated that active members and those who paid their at least once with in the period of five year will pay their fee and 5% of the members who did not pay their fees for the period of five year and above. The difference between the estimated revenue and actual payments will be accrued.

Loan Receivable from APC Centre

The Board reviewed the loan Balance due to understatement of the loan receivable of which accrued interest of the first installment was not recorded in our books. Therefore, the Board restated the opening balance of the loan by TZS 0.345 billion and 0.172 billion respectively.

NSSF Loan

The Board reviewed the loan Balance due to understatement of the loan payable to NSSF of which accrued interest of the first installment was not recorded in our books. Therefore, the Board restated the opening balance of the loan by TZS 0.345 and 0.172 billion respectively.

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

	Previously Stated amount TZS '000	Adjustments TZS'000	Restated amount TZS'000
Statements of Financial Position			
Assets			
Cash and cash equivalent	1,790,085	(3,840)	1,786,245
Receivable from exchange transaction	1,660,534	346,336	2,006,870
Loan receivable from APC	20,647,758	345,597	20,993,355
Equity			
Accumulated deficit/surplus	16,232,589	402,643	16,635,232
Liabilities			
NSSF Loan	20,647,758	345,597	20,993,355

53. BUDGET RECONCILIATION

	Operating	Financing	Investing	Total
Actual collection on comparable Basis as presented in Budget and comparative statement	19,461,435	-	800,000	20,261,435
Actual payments on comparable Basis as presented in Budget and comparative statement	(19,501,806)	-	(2,414,813)	(21,916,619)
Basis Differences	(40,371)	-	(1,614,813)	(1,655,184)
Timing Differences	-	-	-	-
Entity Differences	-	-	-	-
Actual Amount in the Statement of Cash flow	(19,501,806)	-	(2,414,813)	(21,916,619)

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 cashflow is made up the NSSF Loan repayment and repurchase of the PSSSF equity shares arrangements where by the board used to serve some amount on each year(carryover funds from previous years).

54. COMPERATIVE FIGURES

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

55. INTER GOVERNMENTAL TRANSACTIONS

- a) Transaction relating rendered by NBAA to government owned entities during the year ended 30 June 2024

Table 11 Transaction relating rendered by NBAA to government owned entities

S/N	Name of the entity	Service Rendered	2023/24	2022/23
			TZS"000"	TZS"000"
1	Medical Stores Department	Seminar and professional fees	18,889	40,125
2	Institute of Accountancy Arusha	Seminar and professional fees	29,005	32,105
3	The National Assembly of Tanzania	Seminar and professional fees	7,385	6,000
4	The Office of Treasury Registrar	Seminar and professional fees	29,490	13,200
5	Inspector-General of Police	Seminar and professional fees	26,063	33,183
6	Land Transport Regulatory Authority	Seminar and professional fees	15,555	14,875
7	Rural Water Supply and Sanitation Agency	Seminar and professional fees	21,629	15,450
8	Mining Commission	Seminar and professional fees	11,185	11,690
9	Tanzania Petroleum Development Corporation	Seminar and professional fees	9,100	18,450
10	Tanzania Buildings Agency	Seminar and professional fees	15,230	27,000
11	Tanzania National Roads Agency	Seminar and professional fees	46,980	43,150
12	Tanzania Civil Aviation Authority	Seminar and professional fees	12,750	21,250
13	Tanzania Communications Regulatory Authority	Seminar and professional fees	22,850	15,295
14	Tanzania Shipping Agencies Corporation	Seminar and professional fees	43,699	42,598
15	Tanzania Ports Authority	Seminar and professional fees	71,573	39,130
16	Tanzania People's Defense Force	Seminar and professional fees	32,790	41,380
17	Tanzania Revenues Authority	Seminar and professional fees	472,066	519,520

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

S/N	Name of the entity	Service Rendered	2023/24	2022/23
18	Tanzania Electric Supply Company Limited	Seminar and professional fees	128,961	131,155
19	Public Service Social Security Fund	Seminar and professional fees	69,369	73,710
20	Accountants General Zanzibar	Seminar and professional fees	38,600	23,250
21	National Social Security Fund	Seminar and professional fees	80,880	97,970
22	National Insurance Corporation	Seminar and professional fees	10,550	18,405
23	National Housing Corporation	Seminar and professional fees	35,615	27,510
24	National Audit office of Tanzania	Seminar and professional fees	343,575	271,885
25	Ministry of Finance	Seminar and professional fees	48,070	35,449
26	Higher Education Students' Loans Board	Seminar and professional fees	27,295	17,405
27	Accountant General Office	Seminar and professional fees	92,470	75,620
28	Bank of Tanzania	Seminar and professional fees	141,135	90,280
29	Ardhi University	Seminar and professional fees	5,400	4,800
30	Dar Rapid Transit Agency	Seminar and professional fees	1,800	11,550
32	Dar es Salaam Water and Sewerage Authority	Seminar and professional fees	1,173	5,900
33	e-Government Agency	Seminar and professional fees	3,600	-
34	Energy and Water Utilities Regulatory Authority	Seminar and professional fees	2,085	1,900
35	Fair Competition Commission	Seminar and professional fees	3,600	-
36	Gaming Board of Tanzania	Seminar and professional fees	4,010	-
37	Government Procurement Services Agency	Seminar and professional fees	3,000	5,600
39	Ministry of Education	Seminar and professional fees	19,800	10,200
40	National Water Fund	Seminar and professional fees	3,000	-
41	National Economic Empowerment Council	Seminar and professional fees	3,600	-
42	National Environment Management Council	Seminar and professional fees	2,400	-
43	National Health Insurance Fund	Seminar and professional fees	5,685	5,779
44	President Office Planning and Investment	Seminar and professional fees	1,800	-
45	Petroleum Upstream Regulatory Authority	Seminar and professional fees	8,400	13,600
46	Rural and Urban Roads Agency	Seminar and professional fees	6,300	88,800
47	Tanzania Social Action Fund	Seminar and professional fees	1,525	1,395
48	Tanzania Institute of Accountancy	Seminar and professional fees	2,745	3,000
49	Watumishi Housing	Seminar and professional fees	3,000	2,000
50	Ministry of Lands, Housing and Human Settlements Developments	Seminar and professional fees	895	-
51	Ministry of Constitutional and Legal Affairs of Tanzania	Seminar and professional fees	9,169	-
52	Ministry of Agriculture	Seminar and professional fees	3,430	1,200

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

S/N	Name of the entity	Service Rendered	2023/24	2022/23
53	Zanzibar Revenue Authority	Seminar and professional fees	2,100	-
54	Dar es salaam City Council	Seminar and professional fees	8,400	16,050
55	Cereals and Other Produce Board	Seminar and professional fees	750	-
56	Arusha International Conference Centre	Seminar and professional fees	615	-
57	Air Tanzania Company Limited	Seminar and professional fees	-	1,100
58	Dar es Salaam Stock Exchange	Seminar and professional fees	-	5,000
59	Immigration	Seminar and professional fees	-	10,005
60	Internal Auditor General	Seminar and professional fees	-	12,000
61	Muhimbili Orthopaedic Institute	Seminar and professional fees	-	4,200
62	Muhimbil National Hospital	Seminar and professional fees	-	12,445
63	Moshi Cooperative University	Seminar and professional fees	-	12,500
64	Mzumbe University	Seminar and professional fees	-	2,000
65	National Institute for Medical Research	Seminar and professional fees	-	4,800
66	Ministry of Finance and Planning Zanzibar	Seminar and professional fees	-	42,500
67	Occupational Safety and Health Administration	Seminar and professional fees	-	5,850
68	Regional Administrative Secretary Dodoma	Seminar and professional fees	-	1,500
69	Tanzania Episcopal Conference	Seminar and professional fees	-	14,120
70	Tanzania Posts Corporation	Seminar and professional fees	-	5,000
71	TIB Development Bank	Seminar and professional fees	-	3,000
72	Tanzania Railway Corporation	Seminar and professional fees	-	3,000
73	Tanzania Telecommunication Corporations	Seminar and professional fees	-	5,000
74	Law Reform Commission	Seminar and professional fees	-	2,400
75	Workers Compensation Fund	Seminar and professional fees	-	2,000
76	Ministry of Health	Seminar and professional fees	-	3,600
77	Ministry of Water	Seminar and professional fees	-	11,000
78	Ministry of Energy	Seminar and professional fees	-	1,800
TOTAL			2,011,041	2,133,634

Source: NBAA revenue report

b) Transactions relating to services received by NBAA from government owned entities

Table 12 Transactions relating to services received by NBAA from government owned entities

S/N	Name of the entity	Name of Services	2024	2023
			TZS'000"	TZS'000"
1	Agency for the Development of Educational Management	Conference facilities	-	1,750

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

S/N	Name of the entity	Name of Services	2024	2023
2	Arusha International Conference Centre	Conference facilities	97,084	81,420
3	College of Business Education	Conference facilities	-	2,124
4	Dar es Salaam Water and Sewerage Authority	Water and Sewage	27,702	29,698
5	Dodoma City Council	Land rent	9,873	9,873
6	e-Government Agency -Dar es Salaam	Software licenses and system developments	73,180	66,139
7	Tanzania Electrical, Mechanical and Electronics Services Agency	Motor vehicle, electronics and generator services	12,106	29,192
8	Government Procurement Services Agency	Procurement of Motor vehicle and fuel	305,670	45,000
9	Institute of Finance Management	Best student awards	100	100
10	Institute of Accountancy Arusha	Master tuition fees	-	5,303
11	Institute of Social Works	Contribution to 50 years anniversary	1,000	-
12	Jeshi la Kujenga Taifa Messes	Conference facilities	52,750	-
13	Ministry of Finance and Planning	Hiring of Exhibition space	7,526	8,065
14	Ministry of Education, Science and Technology	Hiring of Exhibition space	1,000	-
15	Muhimbili National Hospital	Contribution to support treatments	15,000	-
16	Mzinga Corporation	Conference facilities	31,600	-
17	National Audit Office of Tanzania	Office rent and supervision fees	75,263	75,263
18	National Examinations Council of Tanzania	Printing of certificate	10,725	11,058
19	National Health Insurance Fund	Health services insurance	-	9,761
20	National Housing Corporation	Rehabilitation of Mhasibu house	-	42,257
21	National Insurance Corporation Ltd	Insurances services	14,680	11,157
22	National Social Security Fund	Loan repayment and Conference hiring	1,741,790	1,741,790
23	Public Service Social Security Fund	Staff retirement scheme and Equity redemption	1,058,878	863,153
24	Public Procurement Regulatory Authority	Training costs	1,500	-
25	Suma Jkt	cleanness and security	78,000	78,000
26	Tanzania Electric Supply Co. Ltd	Electricity	65,506	51,231
27	Tanzania Institute of Accountancy	Hiring of graduation	1,000	1,791
28	Tanzania Posts Corporation	Postage	5,461	4,802
29	Tanzania Public Service College	Training costs	3,250	-
30	Tanzania Revenue Authority	PAYE and Withholdings taxes	789,270	529,521
31	Tanzania Standard Newspaper	Adverts	8,767	9,310

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

S/N	Name of the entity	Name of Services	2024	2023
32	Tanzania Telephone Company Ltd	Telephone Bill	1,897	2,487
33	The Tanzania Commission for Universities	Hiring of Exhibition space	2,500	2,500
34	Tanzania Medicines & Medical Devices Authority	Remittance of Salary Deduction	2,426	6,469
35	Treasury Registrar	Contribution to Consolidation Fund and Hanang donation	110,000	100,000
			4,605,504	3,819,214

Source: NBAA expenses report

a) Subvention received from the government through Ministry of Finance and Planning

Table 13 Subvention received by the Board from the Government through ministry

S/N	Type of subvention	2023/24	2022/23
		TZS"000"	TZS"000"
1	Ministry of Finance	2,268,137	2,290,120

Source: NBAA Revenue report

56. EXPLANATIONS ON DIFFERENCES BETWEEN BUDGET AND ACTUAL AMOUNTS

	Original Budget	Final Budget	Actual	Difference	Percentage (%)	Explanations of the Variance
	TZS 000	TZS 000	TZS 000	TZS 000		
		(A)	(B)	C=(A-B)	D=(C/A)	
Receipts						
Ministry of Finance	1,885,356	1,885,356	1,914,039	(28,683)	(2)	Increase was caused by increase number of staffs from 58 to 66.
Professional fees	4,049,001	4,049,001	3,938,462	110,539	3	The decrease was attributed by decrease in collection of tuition provider supervision fee.
Examination fee	5,489,856	5,489,856	5,212,830	277,026	5	Decrease number of students registered for examination than number of students expected and budgeted for the year ended June 2024 from 15,940 to 15,423. Also, the decreased number of Student for IPSAS Diploma Course and IPSAS Certificate Course.
Seminar fees	7,327,192	7,327,192	6,945,984	381,208	5	Decrease in number of members attending seminars and workshop from 14,230 participant in plan to 13,548.

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

	Original Budget	Final Budget	Actual	Difference	Percentage (%)	Explanations of the Variance
Fee from advisory services	TZS 000	TZS 000	TZS 000	TZS 000		
	778,670	(A) 778,670	(B) 547,616	C=(A-B) 231,054	D=(C/A) 30	The decrease in revenue was attributed by the changing of the scope of the OCAM project whereby for this financial year only gap analysis was done.
Miscellaneous revenue	26,348	26,348	182,298	(155,950)	(592)	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	1,980	1,980	3,759	(1,779)	(90)	Increase of the dividend was attributed by increase in declared dividend per share from TZS 290 to TZS 537.
Rents	80,375	80,375	74,295	6,080	8	Increase of rental due increase of occupation by existing tenants.
Housing Loan	552,001	552,001	531,151	20,850	4	Decrease number staff applying for the loan than expected
Donation income	111,000	111,000	111,000	-	-	
Repayment of loan by APC Investment	800,000	800,000	800,000	-	-	

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

	Original Budget	Final Budget	Actual	Difference	Percentage (%)	Explanations of the Variance
	TZS 000	TZS 000	TZS 000	TZS 000		
Total receipts	21,101,779	21,101,779	20,261,435	840,344		
Payments		(A)	(B)	C=(A-B)	D=(C/A)	
Operating expenses	(7,791,504)	(7,791,504)	(7,619,677)	(171,827)	2	Decrease in number of members attending seminars and workshop from 14,230 participant in plan to 13,548 and Decrease number of students registered for examination than number of students expected and budgeted for the year ended June 2024 from 15,940 to 15,423 and decrease number of IPSAS Candidates.
Employment costs	(5,775,552)	(5,775,552)	(5,795,061)	19,509	0	Increase in costs caused by increase in number of staffs which cause increase in incentive driven costs and salary to staff and increase in training costs.

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

	Original Budget	Final Budget	Actual	Difference	Percentage (%)	Explanations of the Variance
Administrative expenses	TZS 000 (3,950,432)	TZS 000 (A) (3,950,432)	TZS 000 (B) (4,919,078)	TZS 000 C=(A-B) 968,646	D=(C/A) (25)	The increase was attributed by increase of new and one-time activities such as review of strategic plan, preparation of AML/CFT framework and sectorial risks assessment, review of risks framework and register, preparation of fraud risks framework and register, review of syllabus and learning materials, adoption of sustainability reporting, review of registration and examination by law and preparation and review of policies.
Other expenses	(22,500)	(22,500)	(21,011)	(1,489)	7	Decrease in expected 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 PSSF equity interest	(677,625)	(677,625)	(677,625)	-	-	N/A
Housing loan	(690,000)	(690,000)	(690,000)	-	-	N/A
Purchase of assets	(456,978)	(456,978)	(456,978)	-	-	N/A.
Total payments	(21,101,779)	(21,101,779)	(21,916,618)	814,839		
Deficit	-	-	(1,655,184)	1,655,184		

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

	Original Budget	Final Budget	Actual	Difference	Percentage (%)	Explanations of the Variance
	TZS 000	(A)	(B)	C=(A-B)	D=(C/A)	
Receipts						
Ministry of Finance	1,885,356	1,885,356	1,914,039	(28,683)	(2)	Increase was caused by increase number of staffs from 58 to 66.
Professional fees	4,049,001	4,049,001	3,938,462	110,539	3	The decrease was attributed by decrease in collection of tuition provider supervision fee.
Examination fee	5,489,856	5,489,856	5,212,830	277,026	5	Decrease number of students registered for examination than number of students expected and budgeted for the year ended June 2024 from 15,940 to 15,423. Also, the decreased number of Student for IPSAS Diploma Course and IPSAS Certificate Course.
Seminar/workshop fees	7,327,192	7,327,192	6,945,984	381,208	5	Decrease in number of members attending seminars and workshop from 14,230 participant in plan to 13,548.
Fee from advisory services	778,670	778,670	547,616	231,054	30	The decrease in revenue was attributed by the changing of the scope of the OCAM project whereby for this financial year only gap analysis was done.
Miscellaneous revenue	26,348	26,348	182,298	(155,950)	(592)	Increase in collection from unexpected services than expected and budgeted for

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

	Original Budget	Final Budget	Actual	Difference	Percentage (%)	Explanations of the Variance
	TZS 000	TZS 000	TZS 000	TZS 000		
		(A)	(B)	C=(A-B)	D=(C/A)	
Dividend	1,980	1,980	3,759	(1,779)	(90)	the year. The additional income resulted by the increase in collections from transcript and convocation fee.
Rents	80,375	80,375	74,295	6,080	8	Increase of the dividend was attributed by increase in declared dividend per share from TZS 290 to TZS 537.
Housing Loan	552,001	552,001	531,151	20,850	4	Increase of rental due increase of occupation by existing tenants.
Donation income	111,000	111,000	111,000	-	-	Decrease number staff applying for the loan than expected
Repayment of loan by APC Investment	800,000	800,000	800,000	-	-	
Total receipts	21,101,779	21,101,779	20,261,435	840,344		
Payments						
Operating expenses	(7,791,504)	(7,791,504)	(7,619,677)	(171,827)	2	Decrease in number of members attending seminars and workshop from 14,230 participant in plan to 13,548 and Decrease number of students registered for examination than number of students expected and budgeted for the year ended

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

	Original Budget	Final Budget	Actual	Difference	Percentage (%)	Explanations of the Variance
	TZS 000	TZS 000	TZS 000	TZS 000		
		(A)	(B)	C=(A-B)	D=(C/A)	
Employment costs	(5,775,552)	(5,775,552)	(5,795,061)	19,509	0	June 2024 from 15,940 to 15,423 and decrease number of IPSAS Candidates.
Administrative expenses	(3,950,432)	(3,950,432)	(4,919,078)	968,646	(25)	Increase in costs caused by increase in number of staffs which cause increase in incentive driven costs and salary to staff and increase in training costs. The increase was attributed by increase of new and one-time activities such as review of strategic plan, preparation of AML/CFT framework and sectorial risks assessment, review of risks framework and register, preparation of fraud risks framework and register, review of syllabus and learning materials, adoption of sustainability reporting, review of registration and examination by law and preparation and review of policies.
Other expenses	(22,500)	(22,500)	(21,011)	(1,489)	7	Decrease in expected costs from bank transaction charges and other costs.
Repayment of NSSF loan	(1,737,188)	(1,737,188)	(1,737,188)	-	-	N/A

NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

	Original Budget	Final Budget	Actual	Difference	Percentage (%)	Explanations of the Variance
	TZS 000	TZS 000	TZS 000	TZS 000		
Purchase of PSSSF equity interest	(677,625)	(A) (677,625)	(B) (677,625)	C=(A-B) -	D=(C/A) -	N/A
Housing loan	(690,000)	(690,000)	(690,000)	-	-	N/A
Purchase of assets	(456,978)	(456,978)	(456,978)	-	-	N/A
Total payments	(21,101,779)	(21,101,779)	(21,916,618)	814,839		
Deficit	-		(1,655,184)	1,655,184		