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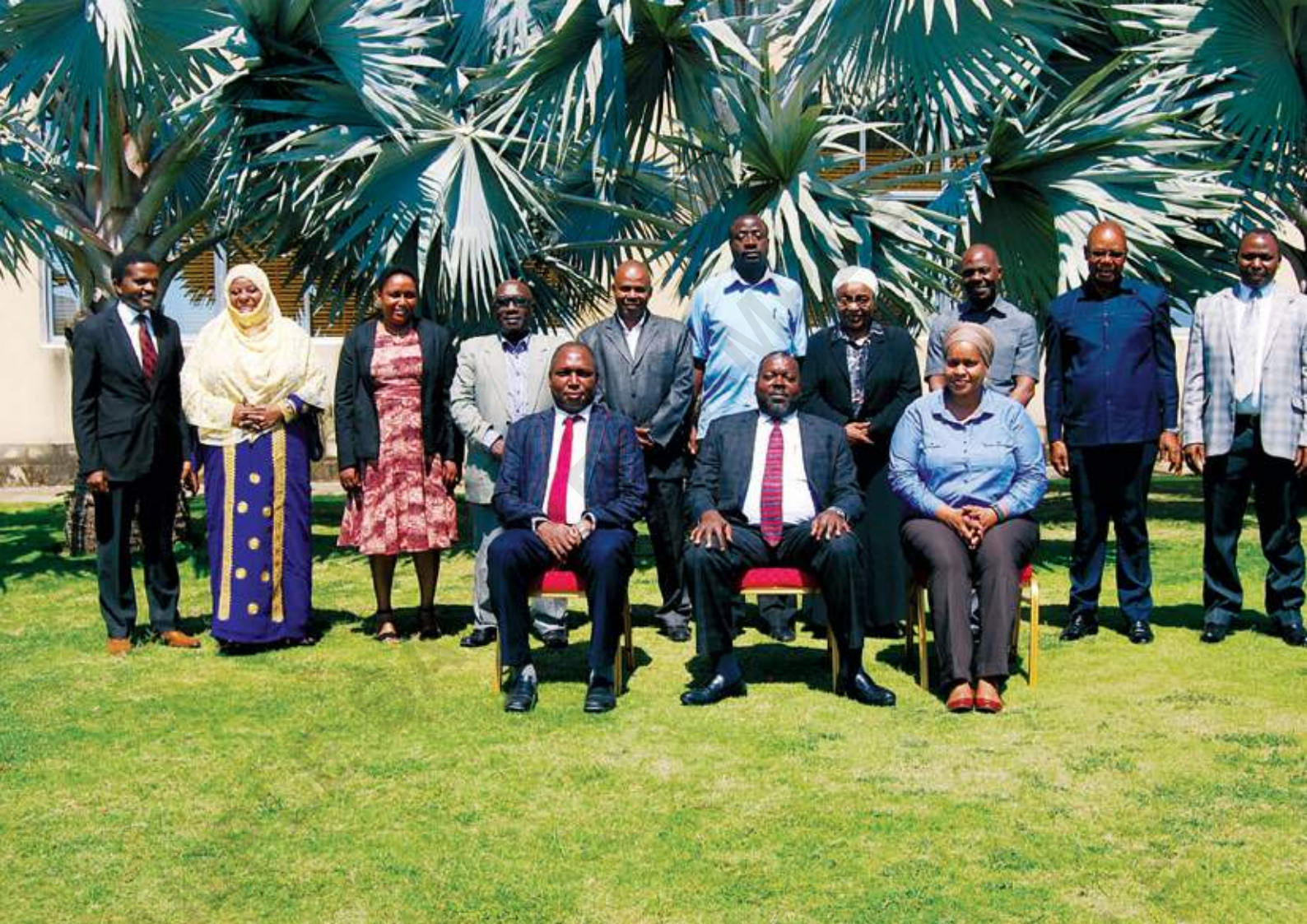
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PUBLISHERS

National Board of Accountantss and Auditors

4 Ukaguzi Road, "Audit House," 8th floor
P.O. Box 1271, 41104 Tambukareli, Dodoma
Tel: +255 26 2160170-4

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GRAPHIC DESIGNER

Robert Kiatu

CONTACT:-

+255 715 89 9495 / +255 755 89 9495
Email:- rkiatu1@gmail.com
Dar es Salaam, Tanzania

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From the **Executive Director's Office**

Dear readers,

It is my great pleasure to bring to you the Jan - December 2021 issue of Accountant Magazine.

There is no doubt that 2021 has been challenging for all of us because of the COVID19 pandemic. However, despite the challenges, there are reasons for optimism as many people and businesses managed not only to adapt but also to thrive on the changes.

Many organizations adjusted to a new era of work that was ushered in by the coronavirus pandemic, adapting to work in remote workplaces, relying heavily on the cloud, zoom and other technologies to conduct businesses.

Accountants and Auditors also still provided their services but had to focus on the practical challenges brought about by the pandemic particularly when face-to-face meetings and audit inspections were restricted under various measures to curb the spread of the disease.

It is against that background the Board is planning to extend online training programmes to reach out to accountants and auditors working in upcountry regions and outside the country as highlighted in one of our articles in this issue.

You will also read about new requirements for Non-Governmental Organizations and Associations operating in Tanzania to apply International Public Sector Accounting Standards (IPSASs) in preparations of their financial statements from July 2021 so as to have a common financial reporting framework in the country.

We hope you will be inspired for success when reading profiles of CPA Dr. Neema Kiure-Mssusa, the Vice Chairperson of NBAA Governing Board and the Chairperson of Tanzania Association of Women Accountants (TAWCA) and Ayub Asumumwisye, one of the best CPA graduates of November 2019.

A new study lounge has been opened at the NBAA Mhasibu House. The new lounge, which can host 260 people at a time, provides a convenient facility for groups to share information, prepare for presentations, and participate in discussions.

Please feel free to share your thoughts or comments with us.

CPA Pius A. Maneno

HOW to harness artificial intelligence in accounting

By Ronald Wong

**Businesses that implement artificial intelligence in accounting without understanding the associated challenges face significant risks.*

Key Artificial Intelligence (AI) technologies, such as computer vision, Natural Language Processing (NLP), speech recognition and machine learning, help organizations to improve efficiency and derive insights for more competitive customer and talent strategies. They can also allow the accounting function to play a more strategic role.

According to the 2018 EY Global Financial Accounting and Advisory Services (FAAS) corporate reporting survey, close to three-quarters (72 per cent) of finance leaders around the world believed that AI would have a significant impact on the way finance drives data-driven insight. However, businesses

that dive into implementation of AI technologies without understanding the associated challenges face significant risks.

Impact of AI on accounting

How can combining AI with other technologies allow accountants to focus on high-value, high-impact tasks?

Accountants play an important role in many aspects of the business – from recording transactions to storing, sorting, summarizing and presenting financial information in a form and manner required for regulatory compliance and decision-making.

Besides managing a huge volume of diverse financial and nonfinancial data, accountants also need to ensure that financial reporting is timely, accurate and consistent, while meeting the different needs of internal and external stakeholders. Given the

pace of regulatory change, this is not an easy task, especially for companies with complex operations spanning different jurisdictions.

Organizations have been combining AI with other technologies, such as robotic process automation, to automate many mundane tasks performed by accountants today. This allows accountants to redirect the time that they used to spend on such tasks toward performing high-value, high-impact tasks.

Adding AI to accounting operations can also increase output quality by minimizing human errors. AI can mimic human interactions in many cases, such as understanding inferred meaning in communication and using historical data to adapt to an activity. It can often provide the real-time status of financial matters by processing documents through NLP and computer vision faster, making

daily reporting possible and inexpensive. This promotes better and more timely insights required for swift decision-making.

Auditors also use machine learning tools in audits that can “read” documents, such as sales and lease contracts, perform trend analysis and identify outliers. This reduces administrative time spent on reviewing audit documents and allows auditors to spend more time on areas that involve significant estimates and judgment.

EY Digital Audit is a connected data-driven audit that takes advantage of companies’ digitization journey by tapping into the sheer volume of data generated by new technologies to effectively deliver high-quality audits, allowing them to put greater emphasis on risk identification and deliver better business insights.

As part of digitalizing the audit process, EY launched an AI proof of concept using computer

vision to enable airborne drones to monitor inventory during the auditing process. For example, the drone can count the number of vehicles in a production plant under audit and communicate the data directly into the EY global audit digital platform.

While AI-enabled systems can support compliance and their related audits by monitoring documents against rules and flagging issues, there are hidden dangers. There is currently little visibility into how AI and machine learning technologies come to their conclusions in problem-solving, leaving practitioners exposed to various significant business risks.

Barriers to implementation

AI technologies can be a double-edged sword, presenting compelling benefits as well as challenges that need to be addressed.

Although AI has clear benefits, the implementation of such

technologies in finance functions can be challenging. Resistance to change from teams within an organization is a key risk as many may choose to adopt a “wait-and-see” attitude.

In the 2019 EY Global FAAS corporate reporting survey, 60 per cent of Singapore respondents said the quality of finance data produced by AI cannot be trusted as much as data from usual finance systems. The top risks cited in relation to turning nonfinancial data into reporting information are maintaining data privacy, data security and the lack of robust data management systems.

AI relies on access to vast volumes of data to be effective. Significant efforts are therefore needed to extract, transform and house the data appropriately and securely. The advantage of AI systems is their ability to analyze and independently learn from diverse data and generate valuable insights. However, this can be a double-edged sword where a lack of proper data



management or cybersecurity systems can predispose organizations to significant risks of inaccurate insights, data breach and cyberattacks.

Further, smaller organizations may face the issue of insufficient data to build models surrounding specific areas for analysis. Obtaining such data will also require systems and processes to be established and integrated to ensure that external data harnessed will complement existing data. This requires significant financial and time investments. Hence, most companies that implement AI applications in their accounting systems will likely focus on areas that will have the most significant financial and business impacts. This can be challenging as more sophisticated AI technologies are still in the infancy stage and the first implementations will therefore be unlikely to reap immediate benefits.

Even with the right data, there could still be a risk of machine learning algorithm bias. If the patterns reflect existing bias, the algorithms are likely to amplify that bias and may produce outcomes that reinforce existing patterns of discrimination.

Another major concern is the potential overexposure to cyber-related risk. Hackers who want to steal personal data or confidential information about a company are increasingly likely to target AI systems, given that these are not as mature or secure as other existing systems.

While the legislation governing AI is still considered to be in its infancy, that is set to change. Systems that analyze large volumes of consumer data

may not comply with existing and imminent data privacy regulations and therefore, pose risks to organizations.

As with any transformation initiative, the human factor is critical to ensuring its success. The evolution in AI technologies is changing the roles and responsibilities of accountants, requiring competencies beyond traditional technical accounting that also include knowledge of business and accounting processes, including the systems that support them. These competencies are important to effectively identify and apply use cases for AI technologies, and facilitate effective collaboration with other stakeholders, including IT, legal, tax and operations, during implementation.

Despite these challenges, the benefits of AI technologies remain compelling. The competitive economic environment and rapid technological advances will drive adoption. Over time, slow adopters will be disrupted and risk becoming obsolete. With the potential of AI technologies to be a game changer for accounting and finance, adoption is inevitable and a sound AI strategy is paramount to successful adoption.

Understanding and managing risks

With risks varying according to the situation, where should organizations start in risk assessment as part of an AI strategy?





While harnessing disruptive technologies brings great opportunities, managing new risks that come with them is just as important. Although the risks depend on each finance function and individual application, organizations should begin by assessing their situation against a spectrum of possible risks:

Data quality and management

This is key to transforming volumes of data into an organization's strategic assets. Organizations should commit to building trust proactively into every facet of the AI system from the start. Such trust should extend to the strategic purpose of the system, the integrity of data collection and management, the governance of model training, and the rigor of techniques

used to monitor system and algorithmic performance.

Cyber and data privacy

Considerations should be made when designing and embedding AI technologies into systems. Developing proper system separation and understanding how the system handles the large amounts of sensitive data and makes critical decisions about individuals in a range of areas, including credit, education, employment and health care are critical to managing this risk.

Legal risks and liability

At the most fundamental level, organizations need a thorough understanding of AI reasoning and decisions. There should also

be mechanisms to allow a clear audit trail of AI decisions and extensive testing of the systems before deployment. Risk mitigation should also include assessing the acceptable costs of error. Where the costs of error are high, a human supervision might still be needed to validate the output to manage this risk. As the technology matures further, the acceptable risk level can be adjusted accordingly.

Prioritizing use cases and culture transformation

Developing a successful AI implementation road map requires identification and prioritization of use cases, with the understanding that the human element is a fundamental piece of the equation. This is

because the uniquely human soft skills, such as creativity and leadership, as well as human skepticism and judgment, are needed to address the new risks that come with the adoption of emerging technologies.

To overcome resistance to change and drive sustainable culture transformation, organizations should inject new ideas and fresh impetus into the team. One way is to identify “change ambassadors” who are empowered by management to embark on new technology initiatives and successful proofs of concept that would then be commissioned for roll-out to the organization. Such similar efforts will be critical to overcome inertia and resistance.

Changing the finance and accounting talent mix may provide an important lever for culture change. By changing recruitment criteria to favor openness and innovation, finance leaders can seek to attract people from different sectors and backgrounds who come with new perspectives and without the ingrained assumptions and biases of typical accounting talent. Upskilling the existing accounting workforce beyond traditional finance and accounting skills and redefining the profile for talent acquisition are key considerations in driving an effective digital-enabled workforce.

The benefits of adopting AI technologies are evident.

While it is impossible to predict how AI technologies will ultimately affect the accounting industry and profession, one thing is clear: companies and accounting professionals need to invest time – sooner rather than later – to understand AI technologies and ecosystems, embark on proofs of concept to validate use cases, and drive behavioral changes that effectively build a truly digital workforce and organization for competitive growth.

@By Ronald Wong

Financial Accounting Advisory Services Leader and Partner, **Ernst & Young LLP**



2021 Accountants Annual Conference



The National Board of Accountants and Auditors (NBAA) held a three-day Accountant Annual Conference in Dar es Salaam in December to reflect the 4th Industrial Revolution for the Accountancy Sustainable Development with more than 3000 participants. The Annual Conference is the highlight of the business calendar for the whole of the NBAA family including partners and stakeholders to get

together for training and the invaluable social and networking opportunities presented. The conference was held at APC Hotel and Conference Centre in Dar es Salaam, proved to be engaging, enjoyable learning and development experience, where participants were kept up to date with the tools, they need to ensure businesses, accountancy practices and the public sector could adapt, survive and thrive in the ever-evolving accounting industry.

The conference began with introductory remarks from the NBAA Executive Director, CPA Pius Maneno, welcoming remarks from CPA Prof. Sylvia S. Temu who is the NBAA Board Chairman and an opening speech of the Guest of Honour Hon. Dr Mwigulu Lameck Nchemba (MP), Minister for Finance and Planning. After that the Participants had a group photo session with the Guest of Honour then followed by a health break.

It resumed with the topic on **Future of Accountancy Profession in the 4th Industrial Revolution** presented by Outgoing NBAA Governing Board Vice Chairperson CPA Dr. Neema Kiure Mssusa. Participants learnt and discussed about how the 4th industrial revolution will affect the Accountancy profession.

The afternoon had a plenary session where a paper titled **"The task ahead for Those Charged with Governance during the 4th Industrial Revolution"** was presented by Dr. Kassim Hussein- Former Lecturer at the Institute of Finance Management (IFM)

Another paper titled **' Digitalisation in Management Accounting '** was presented by CPA Sarikiael Borish Nnko, a Lecturer Mzumbe University.

The second day was a sports and games day where by the participants engaged in various sports and games including running, team building and swimming. It was an enjoyable moment on that day.

Four papers were presented on the third day of the conference. Those were; **"Artificial Intelligence and the Future of Accounting"** presented by CPA Professor Ganka D.Nyamsogoro - Outgoing NBAA Governing Board Member **"Assessing Cybersecurity Readiness; Tanzania Experience"** presented by Benjamin Mkwizu, an Associate Director, Risk Assurance Service, PWC Tanzania; **"Digital transformation - Managing risks and opportunities"** by CPA Straton Makundi -Managing Partner, Auditax International,

"Blockchain and Digital Currency" presented by CPA Sandra John Chogo - Auditor from National Audit Office and the final paper was on **"Tax Fraud and Investigation in Digital Environment"** presented by CPA Eric Sambu Managing-Director, SGA Security

According to the feedback obtained from different participants, the 2021 Accountants Annual conference was well organized in terms of the papers that were presented, the foods and drinks that were of good quality, the venues were properly arranged and above all the hospitality that was extended to the participants.

The success of 2021 Accountants Annual Conference gives us a room to start preparations for 2022 at the same venue.



Names of best Presenters of the Financial Statements 2021

The Annual Conference that was held in December 2021 at APC Hotel and Conference Centre it was accomplished with an award ceremony for the Best Presented Financial Statements.

NBAA had received a total of 71 Audited Financial Statement from various companies. After Analysis 46 companies became winners of different categories as shown below. The Guest of Honor in that Award ceremony was the Permanent Secretary, Ministry of Finance and Planning represented by the Accountant General CPA Leonard Mkude.

1. Banking Category (Large Banks)

- 1st - CRDB Bank Plc**
- 2nd - NMB Bank Plc**
- 3rd - Exim Bank (Tanzania) Ltd**

2. Banking Category (Small and Medium Banks)

- 1st - TIB Development Bank**
- 2nd - DCB Commercial Bank Plc**
- 3rd - Citibank Tanzania Ltd**

3. Manufacturing category

- 1st - Tanzania Breweries Plc**
- 2nd - Tanzania Cigarette Public Limited Company**
- 3rd - TANELEC LIMITED**

4. Trading and distribution category

- 1st - Vodacom Tanzania Plc**
- 2nd - Swissport Tanzania Plc**
- 3rd - Dar es Salaam Stock Exchange Plc**

5. Government agencies category Users of IPSAS

- 1st - Tanzania Revenue Authority**
- 2nd - Tanzania Broadcasting Corporation (TBC)**
- 3rd - Higher Education Students Loans Board (HESLB)**

6. Users of IFRS

- 1st - Tanzania Electric Supply Company Limited**
- 2nd - Arusha International Conference Centre (AICC)**

7. Insurance categories:

- 1st - Sanlam Life Insurance (Tanzania) Limited**
- 2nd - Tanzania Reinsurance Company Limited (TAN-RE)**
- 3rd - Jubilee Life Insurance Corporation of Tanzania Limited**

8. Regulatory Authorities categories:

- 1st - Tanzania Shipping Agencies Corporation**
- 2nd - Tanzania Civil Aviation Authority**
- 3rd - Energy and Water Utilities Regulatory Authority (EWURA)**

9. Water authorities' category:

- 1st - Iringa Urban Water Supply and Sanitation Authority**
- 2nd - Tanga Urban Water Supply and Sanitation Authority**
- 3rd - Morogoro Urban Water Supply and Sanitation Authority**

10. Local government authorities' category:

- 1st - Ilala Municipal Council**
- 2nd - Makambako Town Council**
- 3rd - Kyerwa District Council**

11. Higher Learning Institutions: Higher Learning Institutions (Users of IPSASs)

- 1st - Institute of Social Work**
- 2nd - Mzumbe University**
- 3rd - Sokoine University of Agriculture**

Higher Learning Institutions (User of IFRSs)

- 1st - Catholic University of Health and Allied Sciences**

12. Ministries and Government Departments Category:

- 1st - Drug Control and Enforcement Authority (Vote 91)**
- 2nd - Ministry of Finance and Planning (Vote 50)**
- 3rd - Accountant General's Department (Vote 23)**

13. Regional Administrative Secretariats Category:

- 1st - Kigoma Regional Administrative Secretariat**
- 2nd - Dodoma Regional Administrative Secretariat**
- 3rd - Singida Regional Administrative Secretariat**

14. Non-governmental organizations Category:

Users of IPSAS

- 1st - Sikika**
- 2nd - Management and Development for Health (MDH)**

Users of IFRS

- 1st - Mtandao wa Vikundi vya Wakulima Tanzania (MVIWATA)**
- 2nd - TWaweza East Africa**
- 3rd - Bugando Medical Centre**

15. Pension Funds Category:

- 1st - Public Services Social Security Fund**
- 2nd - National Health Insurance Fund**

16. Overall, Winners:

- Overall, Winner (User of IFRSs) - **CRDB Bank Plc**
- Overall, Winner (User of IPSASs) - **Drugs Control and Enforcement Authority**



Modern library

to facilitate effective learning

The National Board of Accountants and Auditors boasts to have a modern library established in 1975 to fulfill one of its obligations of promoting and providing learning facilities to its stakeholders.

The library at Mhasibu House located along Bibi Titi Mohammed Street in Dar es Salaam provides learning materials in accounting, auditing and allied subjects to candidates preparing for NBAA examinations, trainers, researchers and other stakeholders.

The library is open for candidates preparing for NBAA examinations, CPA members, Accounting institutions, tuition providers, students from Higher Learning Institutions and the general public.

Library collections

The NBAA Library is furnished with NBAA Study Kits for each subject in the NBAA syllabi, Question and Answer Booklets, Accounting journals, government publications, workshop papers, seminar papers and other NBAA publications.

The library contains also latest editions of International Financial Reporting Standards (IFRSs) and updated editions of International Public Sector Accounting Standards (IPSASs).

They also include highly recommended Accounting, Auditing, Taxation, Management Accounting books from local and international publishers as well as other international professional bodies.

The library offers reference services for users - assisting them to get available materials on accounting, auditing and allied subjects.

Opening Hours

The library is open from 08:00 am to 04:00 pm on weekdays. It remains closed on weekends and public holidays. However, during examination peak periods i.e. one and a half month before examinations, closing hours are extended to 08:00pm

Learning Centre at Mhasibu House

In order to curb a shortage of space in the main Library one of the profession stakeholder Dr. B.S. Sreekumar and his family financed the construction of a learning centre at Mhasibu House. The learning centre which is situated at the ground of the library building has a capacity of 260 sittings at a time. NBAA Library users as welcomed to use this facility for private studies and group discussions. At times when the Library is fully utilized, Library users can be allowed to take books from the Library and read at the learning centre. Thanks to Dr. B.S. Sreekumar and your entire Family.



When factoring receivables can help

SMEs improve cash flow

☞ Charles R. Pryor, Ph.D.,
☞ Stephen S. Gray, DBA,
☞ Nicholas C. Lynch, Ph.D.,

**Selling receivables to a financial institution at a discount in exchange for immediate funds may alleviate cash flow problems*

There are trillions of dollars of trade credit outstanding in the economy today, and at least a portion of it is undoubtedly creating an unnecessary cash flow burden for many small- to medium-size entities (SMEs).

Giving the customer 30 days to pay has been a common practice in many industries for a long time, but since the 2008 financial crisis, many SMEs throughout the supply chain have faced increasing pressure to extend payment terms to 45, 60, 90, or even 120 days, which would significantly increase cash conversion cycles.

As the balance in receivables grows, SMEs must invest more cash in working capital to fund operations, prepare for emergency expenditures, and position themselves to take advantage of emerging growth opportunities.

SMEs with significant amounts of trade receivables may be able

to effectively alleviate cash flow problems by factoring those receivables. However, factoring can be a costly form of financing, and many financial advisers do not recommend it because they believe it is too expensive.

What is factoring?

While many large, successful companies routinely factor receivables, SMEs may be unfamiliar with this financing option. In a factoring arrangement, a firm sells its receivables to a financial institution (a factor) for cash, but at a discounted price. The factor takes over collection responsibilities and provides cash upfront, typically equivalent to 70 per cent to 90 per cent of the value of the receivables, and remits the balance minus fees upon collection.

The factor's fee will be a small percentage of the receivables factored, which covers the factor's administrative costs, the cost of collection services, and a financing charge on the amount of cash advanced by the factor. Fees can be lowered by factoring with recourse because it lowers the risk borne by the factor. "Recourse" means that a portion of cash advances may have to be repaid to the

factor if collection efforts are unsuccessful.

Some factors may be unwilling to buy certain receivables, which reduces the value of factoring because exclusions can significantly reduce the resulting cash proceeds. For example, factors often exclude low-quality receivables based on their age. Many factors also do not accept receivables from export companies because of the additional time and expertise required to facilitate cross-border transactions. Nevertheless, many SMEs may find it worthwhile to invest the time needed to find the right factor for them.

Who could benefit?

Individual circumstances must be considered when a company evaluates factoring as a potential form of financing. Not all SMEs can benefit from factoring arrangements. Some of the characteristics to consider in determining whether selling receivables is worthy of consideration include:

Service providers

The truth is that factoring is expensive. Conventional loans collateralized by tangible assets,

such as inventory, are often a cheaper financing alternative. However, tangible assets are not always available to secure a conventional loan. For example, service providers do not have inventory to serve as collateral. Furthermore, many service firms are not capital-intensive and therefore do not have much property, plant, and equipment (PP&E). Even those entities with significant PP&E may lease those assets.

COD-only sales

Entities that do not sell on credit might be able to attract new customers at a faster rate by offering customers more flexible payment terms, and factoring could mitigate fears about the cash flow implications of carrying large receivables balances. Even existing customers might order in larger quantities if not

required to pay cash on delivery (COD), which would offset the cost of factoring by reducing the costs of freight and order processing.

Incongruent payment terms

Businesses that offer longer payment terms to their customers than they receive from their suppliers may be in a perpetual cash crunch. When SMEs routinely attempt to strategically time payments to suppliers so that they coincide with expected payments from customers, it is a good indication that factoring might prove useful. Furthermore, if factoring allows SMEs to take advantage of purchase discounts offered for paying suppliers more promptly, it will offset the cost of factoring.

Seasonality

Employing year-round collections staff is costly and may be unnecessary for firms with high levels of receivables during only a portion of the year. Seasonal businesses may be able to lower overhead costs by using factoring to outsource the collections function. The cost of factoring would be offset by the savings from outsourcing, and the collections expertise of the factor may significantly increase receivables turnover.

High growth

Growing businesses face increasing operating costs and require increasing levels of investment in working capital. The problem is that while cash outflows for additional staff,

inventory, etc., are increasing to meet projected sales growth, cash inflows reflect sales levels over the past few months. Factoring can mitigate such growing pains by shortening the cash conversion cycle.

Credit risk

It is common for new businesses to experience negative cash flow from operations. New businesses that aren't yet profitable or businesses with a high debt-to-income ratio pose significant default risk. Consequently, they may not qualify for conventional loans or sufficient lines of credit to support operations. In cases like these, factoring can be used to reduce the likelihood of cash shortfalls because the ability to finance with receivables does not depend on the credit worthiness of the SME but rather the credit worthiness of its customers.

Low-quality receivables

If an SME's average days sales in receivables exceeds the terms of sale or if the balance in receivables is growing at a faster rate than sales, it may indicate that the SME lacks the expertise needed to effectively manage credit risk. Although factors often will not accept low-quality receivables, it is never too late for firms with poor credit management skills to start benefiting from the expertise of a factor. SMEs may even be able to guarantee the acceptability of future receivables by implementing a credit-approval process approved by the factor.

Government contracts

Government contracts often result in high-quality receivables, but even a profitable firm will not survive if cash comes in too late to meet its obligations. Doctors in some states have waited as long as a year to receive insurance payments for health services provided to government workers, but once in place, a factoring arrangement could shorten the wait to mere hours.

Exporters

Not all factors accept receivables from export companies, but those that do offer more than increased liquidity. They also offer a level of expertise in dealing with foreign customers that the typical SME is unlikely to possess. Foreign languages, accounting rules, business customs, and legal environments can be extremely treacherous to navigate. Consequently, relying on an experienced factor to facilitate transactions around the globe could have major strategic advantages.

Who would not benefit?

Some of the firm characteristics indicating that factoring might not be right for an SME are often just corollaries of those that suggest otherwise. For example, businesses with excellent credit management practices might be wasting money by factoring. Some additional considerations that may negate the potential cash flow benefits of factoring include:

Customer behavior

Factoring the receivables of customers who pay reliably and quickly is probably not worth the cost.

Competitive strategy

SMEs following a low-cost leadership strategy may not be able to factor and maintain profitability because margins are too thin. On the other hand, it is possible that factoring could prove useful even for low-cost leaders. However, making that determination requires a careful analysis of the firm's cost structure. Entities operating with significant fixed costs may be able to dramatically increase sales without proportionate increases in fixed overhead, which would increase average profit margins—perhaps enough to cover the cost of factoring.

Maturity

Large, successful businesses are more likely than SMEs to generate enough cash to simultaneously fund operations, investment, and even debt repayments. In other words, mature businesses are less likely to experience a cash crisis that factoring might mitigate. Nevertheless, many large businesses still choose to finance using their receivables for other reasons.

Advantages of factoring receivables

The most obvious benefit of factoring is the improved cash flow that results from converting receivables into cash almost immediately, but there are less obvious benefits

as well. Factoring allows businesses lacking in-house credit management expertise to benefit from the expertise of the factor. Experienced factors will quickly be able to determine whom to talk to about getting paid, track payment cycles, and implement follow-up procedures to ensure that payment expectations are met. Factors may also be willing to provide useful statistical reports regarding their collection activities. Furthermore, many small business owners view collections as an irritation but may be unaware that they can outsource that business function to a factor. Doing so would allow them to focus on operations instead of spending time chasing customers for money, which could damage customer relationships if handled improperly.

Another potential advantage of factoring over most other forms of financing is that it isn't dependent on the SME's credit rating. Instead, it is tied to the quality of receivables – the creditworthiness of the SME's customers.

Lastly, the availability of cash is inextricably linked to the company's performance. Factoring provides higher and higher levels of cash with continued receivables growth, which is advantageous for growing firms because sustained sales growth requires an ever-increasing amount of cash committed to working capital. However, it must be noted that the reverse is also true. As sales stagnate or decline, cash flow from factoring arrangements also declines when the need for cash may be most keenly felt. However, even this could be viewed as advantageous because the cash crunch may focus management's attention more quickly on the problems causing the sales decline (see the sidebar, "How to Get Started With Factoring").





Disadvantages of factoring receivables

The characteristics of the business are not the only determinant of whether factoring is right for an SME. Two ubiquitous criticisms of factoring must always be considered. The reflexive objection held by some advisers is that factoring is expensive, which is true. Annualized rates could be in single digits but could also be in excess of 20 per cent, depending on the quality of the receivables and the expected time required for collection. Fees may appear small at first glance, but if the factor charges a 1 per cent fee for advancing cash that would have been collected in 30 days anyway, the true rate in annual terms is closer to 12 per cent.

A second objection to factoring is that it has the potential to create a bad impression with the SME's customers. This risk exists because the factor, an unrelated

third party in the eyes of the SME's customer, takes over collections, which may create the impression with customers that the SME is having money problems. More important is the risk to customer relationships if the customer is frustrated by a perceived breakdown in communications with the SME. For example, consider how customers may feel when dealing with a factor over billing disputes. The reputational risk to the SME is difficult to quantify but is not insignificant. Nevertheless, the advantages of factoring often outweigh any potential disadvantages.

Be aware that factors will normally file a UCC (Uniform Commercial Code) security interest on the SME before providing it with funds. The UCC is a state law often used by a creditor to attach collateral to loans in the same way that real estate is used to collateralize mortgages. This protects the

factor's interest in the receivables if the SME enters bankruptcy. However, it also prevents the SME from refinancing with other factors or financial institutions until the filing is removed, which the factor can easily do at the conclusion of the factoring contract. Before signing any security agreement, the SME should make sure the collateral is accurately described.

SMEs may want the ability to respond to changing circumstances if they find that factoring is no longer right for them, so they should be aware that most factoring agreements are term contracts for periods ranging from six to 24 months. Know what the penalties are for leaving the contract early, assuming that it is possible.

A strategy worth considering

Even if it is a temporary solution, factoring may offer a better



remedy for cash-strapped businesses than credit cards, which are far too often used as a source of quick cash. Factoring certainly should not be dismissed without careful consideration because in addition to offering quick cash, factoring provides expertise in cash flow and credit management that is often lacking in a typical SME. To illustrate what an asset this expertise can be, consider the extra sales required to recover the loss from a bad debt. For any business with a net profit margin of 5 per cent, recovering a \$1,000 loss due to uncollectible accounts takes an additional \$20,000 in sales.

Whether or not they are factoring, business owners should know that the quality of their receivables can mean the difference between success and failure. Consequently, the most important long-run advice for an SME regarding receivables is to foster a relationship between

the sales and collections departments that is collaborative – not adversarial – because effective risk management is a collective responsibility.

How to get started with factoring

Getting started with factoring is not complicated for a small business that decides after careful consideration that the benefits of the strategy outweigh the disadvantages.

The first step is to locate a suitable factor, and perhaps the easiest way to do that is with an internet search. For instance, the International Factoring Association maintains an online member directory (available at factoring.org) that you can search using multiple criteria, including geographic location and industry specialization.

When interviewing a potential factor, be sure to ask these

questions:

How long have you been in business?

Do you have experience in my industry?

Do contracts include a minimum amount of receivables?

What is the discount rate and what additional fees are there?

How will you contact my customers?

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About the authors

Charles R. Pryor, Ph.D.,

Is a Professor of Accountancy, and **Stephen S. Gray, DBA,** is an assistant Professor of Finance, both at Western Illinois University in Macomb, Ill.

Nicholas C. Lynch, Ph.D., is a Professor of Accountancy at California State University, Chico.



HELP INTERNS GROW

Their emotional intelligence

By Michael P. Griffin, CPA, and Allison Griffin Dimond, CPA,

Good internships are mutually beneficial to students and professional firms: They provide students with quality learning experiences and can be a pipeline of new talent for accounting/auditing firms.

Traditionally, the focus of accounting internships has been on technical proficiencies, but employers can also help students become well rounded by facilitating the development of their soft skills.

When interns improve their soft skills, they and their employers benefit. Employers that use a more holistic approach to intern development, working to improve interns' soft as well as technical skills, can improve their reputation as an internship provider among students and faculty. That type of goodwill might make it more likely that

faculty will point their best students toward them as an employer and that interns will want to stay with them after graduation.

Students also benefit from learning skills that have been deemed critical in today's workplace. In the 2019 LinkedIn Global Talent Trends Report, 92 per cent of talent professionals and hiring managers surveyed said it was important to hire for soft skills as much or more than it was to hire for "hard" skills. Eighty-nine percent said that "bad hires" usually lacked soft skills. Those findings align with the CGMA Competency Framework, which also highlights people- and leadership-related soft skills.

However, work still needs to be done to close the gap between new hires' existing proficiencies and employers' needs. The National Association

of Colleges and Employers' Job Outlook 2020 report disclosed skill gaps in high-rated career readiness competencies such as professionalism/work ethic, oral and written communications, critical thinking/problem-solving, teamwork/collaboration, and leadership.

Emotional intelligence as the key to soft skills development

Creative internship supervisors or mentors can coach interns to help them develop their soft skills by using emotional intelligence as the lever. Emotional intelligence is foundational to other necessary skills such as persistence, critical thinking, problem-solving, optimism, people skills, and prioritizing of tasks.

In their book *Emotional Intelligence 2.0*, Travis Bradberry and Jean Greaves state that emotional intelligence skills subsume the majority of other important skills, including “time management, decision-making, and communication.”

By understanding the components of emotional intelligence, internship mentors can figure out how to integrate elements of it into an intern’s experience. The five components of emotional intelligence are generally thought to be self-awareness, self-regulation, motivation, empathy, and social skills. Below are some ideas on how to help interns develop in each of these five areas.

Self-awareness

In the papers we ask students to write, many say that they expect not only to learn new skills but also to learn more about themselves during their internships.

One way to encourage the development of self-awareness is to ask interns to list their technical and soft skills at the start of the internship experience and to revisit that list partway through the experience and again at the end. Such an exercise reveals to students their individual “blind spots,” or weaknesses unknown to the student but noticed by others. When a mentor identifies and discusses these areas with the intern, it can facilitate the process of self-discovery.

Tactfulness is important. An intern who becomes aware of gaps in his/her skills and aptitudes may find such a realization to be temporarily humbling. With

self-reflection and a considerate analysis by a mentor, the intern will eventually increase his/her competence and enjoy a feeling of increased self-efficacy, defined by the American Psychological Association as a “belief in his or her capacity to execute behaviors necessary to produce specific performance attainments.”

Repeated reflection can help an intern develop a continuous improvement mindset – a worthy goal of an internship.

An internship journal is another good practice for promoting self-awareness. By journaling, interns can practice a type of reflection that famed management consultant Peter Drucker called feedback analysis. This process involves several steps: recording, reflecting on what was recorded, analyzing, and taking action. A mentor can help with the “analyze” step of journaling by helping the student sort through the “what” (what happened), gain insight from the “why,” and in some cases learn the “how.”

Mentors and supervisors of interns can also use this kind of analysis on the job. For example, if the quality of an intern’s work product is not up to par, a supervisor should help the intern think through “why” the quality wasn’t there and “how” to better pay attention to detail the next time.

Self-regulation

Self-regulation involves controlling one’s behavior, thoughts, and stress levels while pursuing one’s goals. Individuals who are high in emotional intelligence are able to deal

with stress and other negative emotions in an effective way.

Some ways to help interns build self-regulation include:

Modeling: Accountancy can be a stressful profession, especially in fields such as audit or tax, which have strict deadlines and long hours. Interns can face additional stress from the fact that an internship is often their first entry into a professional work environment. This can produce disruptive emotions. It is key that interns see their supervisors demonstrate how professionals successfully deal with stress and anxiety.

Everyone involved with an intern in the workplace should be a role model. Showing an intern how to bounce back after a tough experience can be very useful modeling behavior. Supervisors should stress clearly and early on in the experience that they expect interns to have a “never give up” attitude and a proactive learning mindset.

Mindfulness: Firms may encourage or even provide on-site mindfulness training

Encouraging pauses: Simply encouraging interns to pause and think before acting is also effective and can reduce their tendency to act impulsively. Some students are so anxious to show their value that their work product is hurried, so simply suggesting that interns slow down and double-check their work can be helpful. Supervisors can also ask interns to prepare a checklist of quality control steps

or just to take a step back to reflect upon their processes and why it is critical that their work be done accurately.

Motivation

Anyone trying to hire an intern seeks students who are self-motivated, and many do come to the engagement very motivated and self-directed. They usually want to learn and want to relate their book learning to the real-world work of accountants. Some students also report becoming more motivated, enthusiastic, and passionate about their careers when they see how their college course work connects with their internship duties.

Internship supervisors can also nurture motivation by emphasizing achievement through goal setting, requiring daily to-do lists, discussing weekly milestones, and celebrating “wins” (such as engagements successfully completed).

Discussing how an intern’s work fits into the big picture can also increase motivation. Interns often mention that they developed more interest in their work as the result of a supervisor taking the time to explain the “why” of a project.

They often find that seeing how their work contributed to the achievement of an overall objective, such as a client deliverable, is motivational.

Empathy

Having a caring attitude toward others can benefit all professionals, and accountants are no exception. Empathy

is at the heart of emotional intelligence, and it is both an inborn capability and a fundamental people skill that can be developed over time. Often a student’s level of empathy increases through real-world experiences.

Internship supervisors can model empathy by making an attempt to understand the challenges experienced by an intern.

Sympathizing and relating to a newly hired intern’s early days on the job is an example of empathy that the intern may someday apply when, as an established professional, she works with a new hire, builds client or team relationships, or navigates hard situations. Supervisors can also demonstrate sensitivity by helping interns face stumbling blocks – for example, by stopping by an intern’s desk after a meeting (or arranging for a quick online check-in during remote work) to clarify confusing points or to see if the intern has any questions.

During remote internships, interns can feel isolated and find it difficult to connect on an emotional level. Letting interns know that supervisors are available and eager to be a resource can increase their sense of belonging and is all the more important when interns are working remotely.

If a student seems to lack empathy in a particular situation, his or her supervisor can address this. It’s important to try to understand why the lack of empathy exists. For instance, it can result simply from poor listening skills and not paying attention to the details of

the situation. In this case, an internship coach can tactfully identify poor listening skills and address them by asking the intern to replay the incident and to suggest a more empathetic response.

Social skills

Interns often note that one of the greatest benefits of their internship is the social aspect: working with professionals, meeting new people, and making contacts. Social skills can be enhanced, and an internship experience should proactively facilitate them. Employers should give interns many opportunities to build personal relationships and professional networks beyond helping them grow their LinkedIn contacts.

Students often need a nudge to “get out there” – to move out of their comfort zone and interact and socialize with experienced professionals. A planned after-work event such as bowling, a painting night, or a dinner with the team is a good start.

Intern supervisors should look for other opportunities to get students involved with professionals. They should encourage them to become student members of professional associations such as the AICPA and their state society of CPAs and encourage them to attend sponsored events.

They can further advance interns’ interpersonal skill development by finding opportunities for them to communicate with clients, interact with executives to gather data for projects, and approach firm managers and directors to ask questions.

Socialization can be a challenge during remote internships. Supervisors may need to plan more frequent check-ins, online social and networking events, and increased engagement with senior leadership through video discussions.

Instructing interns on videoconferencing etiquette and best practices (such as muting the microphone when not speaking, positioning the camera carefully and keeping video on, limiting distractions, and avoiding multi-tasking during online meetings) can also help create good social skills.



A PATH TO PROFESSIONAL SUCCESS

Accounting internships should be a transformative experience in so many ways. Think about how your “internship curriculum” can help an intern become immersed in the culture of your firm’s work setting while developing technical skills and emotional intelligence. Consider what you can do as an internship supervisor to help launch an intern down the path to becoming a well-rounded professional accountant.

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About the authors

Michael P. Griffin, CPA, is a senior lecturer in Accounting and Finance at the University of Massachusetts Dartmouth’s Charlton College of Business.

Allison Griffin Dimond, CPA, is a senior tax associate in the Global Mobility Services group with PwC Boston.

NGOs to apply common financial reporting framework



Non-Governmental Organizations and Associations operating in Tanzania will be required to apply International Public Sector Accounting Standards (IPSASs) in preparations of their financial statements from July 2021 so as to have a common financial reporting framework in the country.

The main objective for applying IPSASs is to improve preparations of annual reports for NGOs and associations and promote transparency and accountability in line with changes in legal framework governing their operations in Tanzania.

The Non-Governmental Organizations Act 2002 and the Societies Act, (CAP. 337) which provide legal framework for NGOs operations in Tanzania have gone through major amendments under the Written Laws Miscellaneous No.3 Act of 2019 regarding registrations and operations of these entities. The amended law requires a high degree of adherence to the principles of financial transparency, good governance and accountability in the provision of public services.

Formerly, NGOs were using different methods of accounting and reporting systems that were provided by their respective donors and hence it was difficult to follow a common standard in generation and presentation of accounting and financial information.

International Public Sector Accounting Standards (IPSAS) are a set of accounting standards issued by the International Public Sector Accounting Standards (IPSASs) Board for use by public sector entities, which are not for profit, around the world in the preparation of financial statements.

IPSAS application in preparation of financial statements would help NGOs and associations achieve comparable standards across services through one accrual-based accounting financial reporting system.

The Accountants and Auditors (Registration) Act Cap. 286 [R.E 2021] empowers NBAA to issue accounting and auditing standards and guidelines as appropriate and ensure compliance with those standards and guidelines by its members and other stakeholders.

The main objectives of issuing standards and guidelines is to make sure that adequate accounting and related records are properly maintained and high professional standards are adhered to in accounting and auditing works.

It is also aimed at promoting uniformity of financial reporting and provision of useful information to the users of financial statements.

NBAA is ready to assist, any NGO or Association that would like to be guided on how to use IPSAS in preparing their financial statements.

NBAA IT News now on your FINGER TIPS

Gone are the days when one would walk all the way to the commercial city in search of information/news about NBAA services, thanks to the recent Information and Communication Technology (ICT) advancements.

For the Board to continue serving its customers in the required standards, it had to adopt technological changes that are taking place all over the world. In view of that, the Board has developed ICT Package known as Member and Examination Management System (MEMS).

This ICT Package enables Members, Students/Examination Candidates, Tuition Providers and other stakeholders to register, apply, check status, process payment and access results online via smart phone (s) / laptop or desktop computers, hence increase performance and improve efficiency in service delivery to the its stakeholders and the general public as a whole.

This means that, one does not need to physically visit NBAA offices to pick examinations/membership forms, fill in and return them. The MEMS has ended the need for someone to visit NBAA offices for enquiry and services.

With MEMS, every member/candidate applies for the Board's membership/examinations via his/her own account on MEMS. Each one of them is issued with a control number which is used for fee payment. "Once paid - at a place and time of the payer's convenience - the

information is automatically reflected on his/her MEMS's account. Through MEMS examination candidates also choose examination centres when applying for examinations.

Through MEMS, a candidate also gets examination results directly in his/her account, hence ending the need for them to travel all the way to NBAA offices

to know their examination results.

In short, the introduction of MEMS has brought tremendous changes to NBAA towards servicing its esteemed clients, it has moved NBAA to the 'NEW NORMALS'. This has been reported by ICT Unit at NBAA.

**COME AND ENJOY THE BOARD'S
AUTOMATED SERVICES**

IPSAS TRAINING

Through on-line platform

The National Board of Accountants and Auditors (NBAA) plans to extend its training on Diploma in IPSAS through online method in order to extend the service to the accountants and auditors who are working in the upcountry regions.

“Online or virtual programmes, which have become a new normal, have proved to be more affordable, more inclusive and more effective given the COVID-19 challenges. We are motivated to optimize virtual training programmes,” said the NBAA Officer responsible for IPSAS training programmes.

NBAA conducts in-house training programmes to accountants and auditors in the public and private sectors

to help them grasp new issues and emerging technologies that impact their work in the ever changing accountancy industry.

The training programmes for accountants and auditors in the public sector focus on the International Public Sector Accounting Standards (IPSAs) while their counterparts in the private sector are trained on the International Financial Reporting Standards (IFRSs) which are designed for general purpose financial statements for profit-making entities. The training programmes help to provide to accountants and auditors an in-depth understanding of the practical application of the IPSAS and IFRS.

“For the first time NBAA managed to conduct online

training reaching out our members whom we could not meet physically,” said the official. Currently, physical classes for Diploma in IPSAS are available in Arusha, Dar es Salaam, Dodoma and Zanzibar. This means that other regions have remained disadvantaged but thanks to the online facilities that has come up as a solution to curb this challenge. Through on line studies any person can register and proceed with studies and get the same services like the one who is attending a physical classroom.

Those who are staying in the regions where there is no physical classes and even those who do not have chance to attend physical classes are welcomed to register for online Diploma in IPSAS training.



NBAA Examinations Held in 2021



The Board conducts its examinations in four examinations sessions. There are two mid-sessions where the examinations are held in February and August. The other two are

the main examination session which are held in May and November. Diploma in IPSAS examinations are also held during the mid-session examinations.

(a) Mid-session examinations

SUBJECT	FEBRUARY 2021		AUGUST 2021	
	NO. OF CANDIDATES WHO SAT	NO. OF CANDIDATES WHO PASSED	NO. OF CANDIDATES WHO SAT	NO. OF CANDIDATES WHO PASSED
A5 Business Law	07	05 (71.4)	04	03 (75)
B4 Public Finance & Taxation	18	13 (72.2)	09	03 (33.3)
B5 Performance Management	63	33 (52.4)	55	17 (30.9)
C3 Business & Corporate Finance	96	79 (82.3)	169	109 (64.5)
C4 Advanced Taxation	35	20 (57.1)	18	13 (72.2)

In February 2021, five (05) candidates qualified for CPA (T) Equivalent Certificates and 39 candidates qualified for CPA (T) Certificates. In August 2021 examination session 02 candidates

qualified for the award of CPA (T) Equivalent Certificates and 83 candidates qualified for the award of CPA (T) Certificates.

(b) Diploma in IPSAS

SUBJECT	FEBRUARY 2021		AUGUST 2021	
	NO. OF CANDIDATES WHO SAT	NUMBER OF CANDIDATES WHO PASS	NO. OF CANDIDATES WHO SAT	NUMBER OF CANDIDATES WHO PASS
C01 Closed Book Paper	146	135 (92.5)	110	101 (91.8)
C02 Open Book Paper	146	129 (88.4)	112	104 (92.9)

In February 2021 examination session 129 candidates qualified for the award of IPSAS Certificates and in August 2021

examination session 100 candidates qualified for the award of IPSAS certificates.

(c) May 2021 and November 2021 Examinations

MAY 2021						NOVEMBER 2021				
EXAM LEVEL	NO. REGISTERED	NO. SAT	NO. PASSED WHOLE LEVEL	NO. PASS SOME SUBJECTS	NO. FAILED	NO. REGISTERED	NO. SAT	NO. PASSED WHOLE LEVEL	NO. PASSED SOME SUBJECTS	NO. FAILED
ATEC I	76	74 (97.4)	17 (23.0)	27 (36.5)	30 (40.5)	69	66 (95.7)	17 (25.8)	29 (43.9)	20 (30.3)
ATTEC II	182	171 (94.0)	29 (17.0)	81 (47.4)	61 (35.7)	180	170 (94.4)	45 (26.5)	70 (41.2)	55 (32.4)
FOUND- TION	709	649 (91.5)	209 (32.2)	312 (48.1)	128 (19.7)	742	677 (91.6)	246 (36.3)	301 (44.3)	130 (19.2)
INTER- MEDIATE	3,275	2,896 (88.4)	349 (12.1)	1,372 (47.4)	1,175 (40.6)	3,379	2,984 (88.5)	384 (12.8)	1,446 (48.5)	153 (38.6)
FINAL	2,159	1,978 (91.6)	290 (14.7)	832 (42.1)	856 (43.3)	2,076	1,916 (92.3)	269 (14.0)	1,795 (37.2)	934 (48.7)
TOTAL	6,401	5,768 (90.1)	894 (15.5)	2,624 (45.5)	2,250 (39.0)	6,446	5,808 (90.1)	961 (23.1)	2,559 (43.0)	2,289 (33.8)

In May 2021 examination session 29 candidates qualified for the award of Accounting Technician Certificate, 13 candidates qualified for the award of CPA (T) Equivalent Certificates and 278 candidates qualified for CPA (T). In

November 2021 examination session 44 candidates qualified for the award of Accounting Technician Certificate, 11 candidates qualified for the award of CPA (T) Equivalent Certificates and 261 candidates qualified for CPA (T).

How to undertake Professional Examinations and **ATTEN ACADEMIC TRAINING AT THE SAME**

Ayub: Nothing is impossible if you work hard enough for it

To Ayub Asumumwise, success is not a miracle, nor is it a matter of luck. It is a function of hard work, determination, persistence and perseverance.

The Certified Professional Accountant (CPA) currently working with NMB Bank, says consistent hard work is the key to success as his education journey and career path can show.

He became a CPA while still at the University of Dar es Salaam in his second year of studies, earning that distinction in a single sitting.

“You must have a dream and work on it because it won’t become reality through magic. It takes sweat, determination and hard work,” said Ayub, a management trainee at NMB Bank and former audit associate at Auditax international firm.

He holds Bachelor of Commerce in Accounting (Hons) from University of Dar es Salaam, ATEC and CPA holder from the National Board of Accountants and Auditors.

Taking CPA class review and studying for University studies requires serious commitment and sacrifice to forgo extra-curricular activities- students take for entertainment, social, and enjoyment purposes.



That is exactly what Ayub did.

A well-known proverb 'necessity is the mother of invention,' means, roughly, that the primary driving force for most new invention is a need. He needed to be a CPA while before he completed his undergraduate studies and put up efforts to make sure he realizes his dream.

"I got CPA in November 2019 when I was in my second year at UDSM. My education journey was very challenging because I was doing two in one, meaning that taking CPA studies as well as university programmes.

I started from ATEC level up to Final level (CPA) and succeeded to pass all the levels in first sitting, so balancing and managing both the studies as well as personal life like going to parties was not easier. Dividing time for CPA class reviews, university studies and the extra-curricular activities was very tough but I managed.

I had to sacrifice some of my favourite stuffs and dedicate almost all of my time for studies because in weekends I had to attend CPA review classes and some week days in evening so no day to rest,"

He said sometimes he missed CPA sessions and had to find

own time to catch up and despite all the challenges he was the best student in different CPA levels and got opportunity to get two job contracts in his third year of studies.

"Opportunely all of these challenges were the building blocks for improving my time management skills, fast learning, flexibility and expanded my thinking ability," he said.

Ayubu says he believes creative and analytical skills are cornerstone of academic excellence of critical thinking in high school and at work.

And he followed what he termed as three pillars of success, time management, focus on goal and self-motivation.

"My goal was to finish CPA before I got my first degree and I was motivated by achievements and great results - passing CPA level first sitting was my motivation to the next level," he says.

Why Accounting

He says a career in accounting is exciting as it is demanded almost everywhere. Governments, businesses and not-for-profit organizations and sometimes individuals, too need accountants and

bookkeepers to manage their budgets, deal with taxes, do financial reporting, complete audits and the like.

"I chose Accountancy because it cut across through all the industry. From fashion to entertainment, construction to non-profits, one thing ties (almost) every industry together - they need finance professionals to help manage and advise them. When you are trained as an accountant, you gain skills that can apply to almost any industry," says Ayub.

He looks to inspire others that nothing is impossible if you work hard enough for it and realizing own dreams is just so amazing.

His message is "ambition is the path to success. Persistence is the vehicle you arrive in."

"Others can learn from me that obtaining a CPA while at university is possible and is an amazing achievement for a career building. They should be ambitious and be ready to accept new roles apart from accounting as for me I moved from accountant, then consultant/auditor and now am in a banking industry.

Dr. Neema Kiure-Mssusa

ACCOUNTING CAREER MAKES PERFECT CENTS

**Shows how women can trail blaze to the top*

What did you dream of becoming when you were child? Many of us romanticized during childhood about our professional lives as adults and we believed we could be anything and do anything. We were younger then, and the world was our oyster.

It is common to have a childhood dream job and there are explanations. Experts say many kids who enjoy school may want to become teachers. Those who want to become doctors or nurses they most probably must have been impressed by their genuine passion and empathy.

What about those who want to become soldiers? They must have admired their bravery and courage.

It was not different to CPA Dr. Neema Kiure-Mssusa, Assurance Partner at Ernst & Young, Tanzania, the Vice Chairperson of the National Board of Accountants and Auditors (NBAA) Governing Council, and the Chairperson of Tanzania Association of Women Accountants (TAWCA).

She neither wanted to be a teacher, nor a nurse as her mother, Bibi Mwajuma Kiure, a retired nurse. She wanted to be an accountant from youth stage as she can remember.

But that looks rather odd. Accountancy is rarely mentioned by children as a dream job. According to LinkedIn, an American business and employment-oriented online service, the top childhood dream jobs for men in the United States were professional or Olympic athlete, airplane or helicopter pilot, scientist, lawyer, and astronaut.

For women, the top childhood dream jobs were teacher, veterinarian, writer, journalist or novelist, doctor, nurse or emergency medical technician and singer.

But the young Neema took it from her father, Mzee Jumaam Kiure, a retired accountant whom she used to observe working on financial records of companies, analyzing business operations, trends, costs, revenues, and the like.

"My father is a retired accountant. From a very young age I was inspired with his work as an accountant and got to like

Mathematics, I liked what he was doing", she asserted.

As an accountant, Mzee Jumaam Kiure quite often brought his work home and his daughter observed him working and was captivated by his diligent yet composed approach to his craft.

"At a very early age, when people asked me what you are going to be, I would tell them I am going to be an accountant."

The young Neema pursued her childhood dreams with zeal and focus, climbing the ladder of success in her chosen career path from primary school in mid-1980's until she obtained a PhD in Business Administration (Accounting) from the University of Dar es Salaam in 2020.

Her strong academic achievement and illustrious career path saw her becoming Certified Public Accountant (CPA) at 22 years of age in 1999, one of the youngest CPAs in Tanzania at that time. She obtained an Advanced Diploma in Accountancy from the Institute of Accountancy Arusha (IAA) in the same year.

She held on to her dreams whereas the chances of fulfilling childhood dreams are rather slim. A recent survey in the US found that more than six in 10 Americans failed to reach their childhood dream jobs. And just one in three Brits is working in the field they dreamed of when they were a child, according to a new study as reported by Daily Mirror, a British national daily tabloid.

"If you can dream it, you can do it," a famous quote attributed to Walt Disney, American motion-picture and television producer

and a pioneer of animated cartoon films, seemed to have motivated her as she stayed focused to pursue her childhood dream. Nobody could waiver her, not even her teachers at secondary school who put her in a science studies stream in Form Three after excelling in the Form Two national examinations.

She said a big no and when the teacher refused listen to her, her father came up and supported his daughter's decision in pursuing what she wants.

"At secondary school, they would select you to science streams when you are a top performer in class. I entered a science class for one day and told them I want to become an accountant. I remember it was a big issue. My father intervened then, he told them my future ambition must be respected," she said.

"It was a system that did not allow a student to choose her career path," said Dr. Neema.

She took Economics, Commerce and Accountancy combination in Advanced Level of secondary school and immediately after final examinations she joined the Institute of Accountancy Arusha for a three-year Advanced Diploma in Accountancy and enrolled for CPA examinations.

"Baba told me if you are truly focused on Accountancy, you need a CPA. So, in 1996 after my A level studies, I joined the IAA for Advanced Diploma in Accountancy and enrolled for CPA examinations in the same year. In 1999 obtained my CPA and at the same year I completed my Advanced Diploma in Accountancy,"

She was the best student for CPA graduates of November 1999, receiving prizes from 22 companies.

Obviously, her achievement in obtaining a CPA and Advanced Diploma in Accounting at the same year and after only three years was no mean feat.

"At that time, I didn't think it was a big deal but looking back on that today I see it was quite a big achievement." she said.

Dr. Neema obtained a Master of Business Administration (MBA) in Finance from the University of Dar es Salaam in 2002; in the same year she became a Certified Trainer of Corporate Governance and Certified Company Director by the Commonwealth Association of Corporate Governance. She became a Certified Information Systems Auditor (CISA) in 2006; obtained ACCA Diploma in International Financial Reporting in 2007; became a Certified Basel II Professional (CBiiPro) in 2012; and obtained a Certificate on Leading Professional Service Firms from Harvard Business School in the same year, 2012.

Employment

Her first job was at Ulc Tanzania Limited as Chief Accountant, she stayed for seven months from February 2000 to August 2000. She then joined PwC as audit associate where she stayed for three years and four months until April 2004. Thereafter she joined Diamond Trust Bank (Tanzania) Limited as Finance and Administration Manager, aiming to get industry experience which she believed will be important to her as an auditor.

She managed finance and administrative functions of the bank and participated in management activities of the bank which included preparing financial reports, directing investment activities, and developing strategies and plans for the short, medium, and long-term financial goals of the bank.

Quite an interesting and challenging job with good perks, after one year and two months, she felt the experience obtained was adequate. She moved to Ernst and Young on 1st of June 2005.

"I love accountancy. Its' nature as a problem-solving job makes it exciting for me. This realization further intensified my interest towards accounting. The kind of a passion I have for the job is evident not only my work but also the ethics instilled within my candidates and work colleagues. I have taught CPA candidates from 2000 to 2009 - you teach them, help them and you see results. The same environment you see in auditing. In EY, we are aiming at *Building a Better Working World*. We have the environment that supports continuous and vast growth in one's intellect."

She says when she joined EY in 2005 Tanzania had just adopted International Financial Reporting Standards (IFRS) and therefore most of what they used to do was to support the private sector entities comply with IFRS.

By 2006 most of the organizations were compliant. How was it possible in such a short time? "It is a combination of NBAA training, training from auditors and consultants, coupled with enthusiasm from accountants

themselves and their respective entities," she says.

"In 2007, I was like what's next. I was looking for the next challenge. Therefore, through EY, we proposed to offer services to the government to support compliance with International Public Sector Accounting Standards (IPSASs). They accepted, and that was the beginning of another interesting journey."

"From 2007 I started to work very closely with the Government through the Accountant General's Office, the NBAA, and the National Audit Office to support IPSASs compliance. The aim was to ensure that IPSASs updates are implemented effectively. By that time, I was also appointed to be a member of the NBAA Technical Committee".

"By June 2012, the country had complied with IPSASs cash basis. The Ministry of Finance then decided to migrate to the Accrual-Based IPSASs. Compliance with Accrual based IPSASs started for the year ended 30 June 2013. By 2015 we had complied with IPSASs Accrual, consolidating 614 government entities then, and performing elimination of inter-entity transactions. The consolidation and elimination tasks were accomplished in June 2015".

In 2015, she applied and got the position to be a member of the International Public Sector Accounting Standards Board *Consultative Advisory Group* (IPSASB-CAG). The IPSASB-CAG is an integral and important part of the IPSASB's formal process of consultation. She served

as a member of the IPSASB-CAG for two years in 2016 and 2017. In 2017, the International Federation of Accountants (IFAC) announced a board member position at IPSASB, she applied. After a thorough interview she earned the position and was appointed for a three-year term from 2018 to 2020. The IPSASB works to improve public sector financial reporting worldwide through the development of IPSASs, international accrual-based accounting standards for use by governments and other public sector entities around the world.

Dr. Neema has been leading the EY and Accountant General's Team in the IPSASs implementation project for the Government of Tanzania since 2008. She assisted the Government Ministries, Departments and Agencies (MDAs), Local Government Authorities and other Public Sector Entities on IPSASs implementation projects.

The 2018 International Public Sector Financial Accountability Index by the IFAC and the Chartered Institute of Public Finance and Accountancy (CIPFA) shows that only 37 governments worldwide, that is, 25 percent of governments worldwide, report on accrual. It is only 19 governments out of the 37 were using accrual based IPSASs which include only two countries in Africa - Tanzania and Nigeria.

"This is a great achievement for the country and the accountancy profession in Tanzania. It is projected that, by the end of 2023, ninety-eight governments

(sixty-five percent of the index population) will report fully on accrual. Hence the accountancy profession in Tanzania can use their expertise to help other countries which are in the process of implementing IPSASs," she stated.

After the success attained in consolidation of Government financial statements in 2015, it was more like a mission accomplished. So, what is next? Finding another challenge? These were the questions that kept coming up on her mind and would not let her rest on her laurels. She registered for the Degree of Philosophy (PhD) in Business Administration, Accounting Department, at the University of Dar es Salaam.

She graduated her PhD in Business Administration at the University of Dar es Salaam in December 2020. This was the time her three-year tenure at the IPSASB was ending. Following her good work at the IPSASB, she was re-appointed to the position for three more years up to 2023.

"And I am happy to say that I have been re-appointed to serve for three more years up to 2023," she said.

So, what is next? Obviously, another challenge and this time will be to write a book and she has already made initial plans.

"I am looking at probably writing a book. Probably the next challenge will be to write a book", she says.

How did she manage to combine motherhood with work? She provides a rather surprising answer.

"I laugh a lot, but always stay focused on the goals. They say that laughter strengthens your immune system, boosts mood, diminishes pain, and protects you from the damaging effects of stress, that nothing works faster or more dependably to bring your mind and body back into balance than a good laugh," said Dr. Neema, adding that the most important thing is to have a vision and goals, focus on it, be confident and believe in yourself.

"You need to stay focused. Once you know where you are going then stay focused. It is very important for individuals to believe that they have what it takes to achieve their vision. Many will discourage themselves or allow people to discourage them," she says.

She admits juggling motherhood with a demanding career was not that easy. It was a daunting task to do justice to each without neglecting the other. However, with the permission of God, and with your own determination, it is possible to balance these responsibilities. "I am a mother of four children", she says. "EY's policy on work-life balance and maternity leave was of great help. At EY we believe a gender diverse workforce not only makes good business sense, but is an asset to the communities we live and work in. The EY maternity leave policy aims at helping parents manage the new balance between career and family together. As a firm that employs strong female leadership, we especially understand the significance of maternity leave and the role it plays in allowing women to build a strong foundation for

their children and family life. By creating an environment where women have the flexibility to manage their transition back to work and have greater control over their responsibilities, we hope to encourage

more women to continue to expand their career opportunities within EY after becoming a parent", she added.

She submitted that, nothing, good or bad, will happen to your life unless decreed by God. Hence her success largely depended on believing in God, family support

and her own ambition.

"It was not that easy, but it was helped by an optimistic, problem-solving disposition - an ability to get through things even when they feel impossible". My children would call it "The System", as long as the system is in play everything can be achieved."



"Problems and challenges are there. Accept those that you can't change and have the courage to solve those that you can. At all times, focus on your goals, be on track. Keep your dreams alive", she advised.

"It is possible to be a woman,

a mother and an achiever. The only limit to what you can achieve is you."

"A successful career gives a woman a sense of identity, a broader outlook, better problem-solving ability, a lot of positivity and helps her make

a difference in people's lives. These factors will boost her confidence in all areas of her life, including motherhood. A woman can balance these responsibilities skillfully."

NEW NBAA Governing Board



On 13th November, 2021 the President of the United Republic of Tanzania Her Excellency Hon. Samia Suluhu Hassan appointed Prof. Sylvia Temu to be the new Chairperson of the NBAA governing Board. In accordance

with the schedule of the NBAA establishing Act, on 19th December, 2021 the Minister of Finance and Planning Hon. Mwigulu Lameck Nchemba (MP) appointed other 11 Members to accomplish the full Governing Board.

The new Governing Board was inaugurated on 14th January 2022 by Deputy Minister of Finance and Planning Hon. Hamad Hassan Chande (MP).

The detailed information of the above appointed Members is as follows:



CPA Prof. Sylvia Shayo Temu, Chairperson
(Age: 64), Female, Tanzanian

CPA Prof Sylvia holds a PhD in Business Administration (University of Bremen, Germany), Master of Business Administration (Diplom Kauffrau) Technical University of Berlin, Germany, Certificate in Technology Management and Cooperation (Technical University of Berlin, Germany), Bachelor of Commerce (Honors), Specializing in Accounting First Class (UDSM), and Certified Public Accountant (CPA)

CPA Prof. Ganka D. Nyamsogoro, Director
(Age: 50), Male, Tanzanian

Doctor of Philosophy in Finance (UK), MSc. International Banking and Finance (UK), ADCA (IDM-Mzumbe), and Certified Public Accountant (CPA (T))



CPA Paul Bilabaye, Director
(Age: 50), Male, Tanzanian.

Post Graduate Diploma in Leadership (Alto Iniversity-Finland), Certified Procurement and Supplies Professional (CPSP), MBA-Corporate Management (Mzumbe University) and Certified Public Accountant (CPA (T))

CPA John Ndetico, Director
(Age: 55), Male, Tanzanian

Masters of Project Management (MPM)(Open University of Tanzania), Masters of Business Administration (MBA) - Finance and Banking, Post Graduate Diploma (PGD) - Financial Management (Maastricht School of Management-Netheland)and Certified Procurement Supplies Professional



CPA Witness Shilekirwa, Director
(Age: 53), Female, Tanzanian

Witness is a Chartered Accountant with Certified Public Accountant - FCPA (T). She holds Masters in Business Administration (MBA) from East and Southern Africa Management Institute (ESAMI) and Advanced Diploma in Certified Accountancy from Mzumbe University (IDM) in Tanzania

CPA Francis M. Mwakapalila, Director
(Age: 55), Male, Tanzanian

Mr Francis holds a Master's Degree in Auditing Management and Consultancy from University of Central England, Birmingham, United Kingdom, Advance Diploma in Accountancy from Institute of Finance Management (IFM) and Certified Public Accountants - CPA (T)



CPA Rukia Juma Adamu, Director
(Age: 66), Female, Tanzanian

She is a holder of Masters Degree in Business Administration (UDSM) Advance Diploma in Certified Accountancy from IDM Mzumbe and Certified Public Accountants - CPA(T)

CPA Aisha Kapande, Director
(Age: 43), Female, Tanzanian.

Masters 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)





CPA Issa I. Masoud, Director

(Age: 40), Male, Tanzanian

Masters Degree (Msc: Finance and Accounting), Advance Diploma in Accountancy (ADA) and Certified Public Accountants - CPA(T)

CPA Dyoya Ghiddey Dyoya, Director

(Age: 59), Male, Tanzanian

Mr Dyoya is a Certified Public Accountant in Public Practice. He holds a Master's degree in international Trade Economics (UDSM)



CPA Rukia Hamad Abdulla, Director

(Age: 55), Female, Tanzanian

Mrs Rukia Abdulla holds a Master's 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

CPA. Adv. Fredrick Msumali, Director

(Age: 55), Male, Tanzanian.

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



CPA Pius A. Maneno, Executive Director and Secretary to the Board

(Age: 56), Male, Tanzanian.

Mr. Maneno holds B. COM (UDSM), Masters in Accounting (UK), Post graduate Diploma in Management (Netherland). Certified Public Accountant (CPA (T)) and Chartered Company Director

OBITUARY



Edwin C. Mtoi, age 50 passed away peacefully on 11th August 2021 at Rabinincia Memorial Hospital situated in Tegeta Dar es Salaam. He was born in January: 19th 1971 in Tanga. He graduated with Master's Degree in 2011 from Mzumbe University.

Edwin was employed by the National Board of Accountants and Auditors in 2001 as Learning Resources Coordinator and promoted to Principal Marketing Officer a position he held until his demise. Edwin truly lived his life to the fullest through prayers, hardworking, chatting with friends and family. Edwin had uncanny ability to reach people in deep and positive way. He survived with his lovely wife Herrieth Mtoi and blessed with three children; two daughters and a son.

The NBAA Governing Board, the entire NBAA Staff and the whole congregation of accountancy profession in Tanzania will keep on remembering him.

**MAY ALMIGHT GOD REST HIS SOUL IN ETERNAL PEACE.
AMEN**

RETIREMENTS

Mr. Juma Mtema was employed with NBAA in 1982. He worked as a Chief Continued Professional Development (CPD) Officer. He retired on **05th June 2021**



Mrs. Mboni Mmari was employed with NBAA in 1984. She worked as a Office Management Secretary. She retired on **4th April 2021**



Mrs. Amina Mlaki was employed with NBAA in 1984. She worked as a Principal Office Assistant. She retired on **27th September 2021**



The NBAA Governing Board and the entire NBAA staff wish you prosperous life fully of good health and joy.



GRADUATION



