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NBAA 50-YEARS Anniversary Celebrations



**MONEY
LAUNDERING**

**ARTIFICIAL
Intelligence**



Arriving of Guests during International Accounting day Gala dinner



Inside





The articles in the magazine do not necessarily reflect the official views of the National Board of Accounts and Auditors, or any other particular institute or organisation

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CONTENTS

4	ARTIFICIAL INTELLIGENCE
8	A PRACTICAL ROADMAP FOR INTRODUCING AGILITY TO CERTIFIED PUBLIC ACCOUNTING FIRMS
10	THE BEST PRESENTED FINANCIAL STATEMENTS FOR THE YEAR 2021
12	TANZANIA MOVES CLOSER TO INTRODUCE DIGITAL CURRENCY
14	EXAMINATIONS HELD AUGUST AND NOVEMBER 2022
17	GRADUATION CEREMONY 2022
20	ANNUAL CONFERENCE 2022
24	MONEY LAUNDERING
29	NBAA 50-YEARS ANNIVERSARY CELEBRATIONS
33	PASSION FOR MATHS SHAPED HER GLITTERING CAREER



From the **Executive Director's Office**

Greetings

It is my great pleasure to bring to you the January to December 2022 issue of the Accountant Magazine.

The Accountants and Auditors (Registration) Act, Cap 286 was amended and passed by the National Assembly on 3rd September, 2021 and assented by H.E. Samia Suluhu Hassan, the President of the United Republic of Tanzania on 28th September, 2021 and gazetted on 28th October 2021. These amendments were done to update the legal framework due to changing environment, the Act was amended last time in 1995.


NBAA has been able to increase its active membership to 7,455 with the following breakdown:

Graduate Accountants 5,097, ACPA 1,301; ACPA-PP 765, FCPA 72; FCPA-PP125 and Temporary 95;

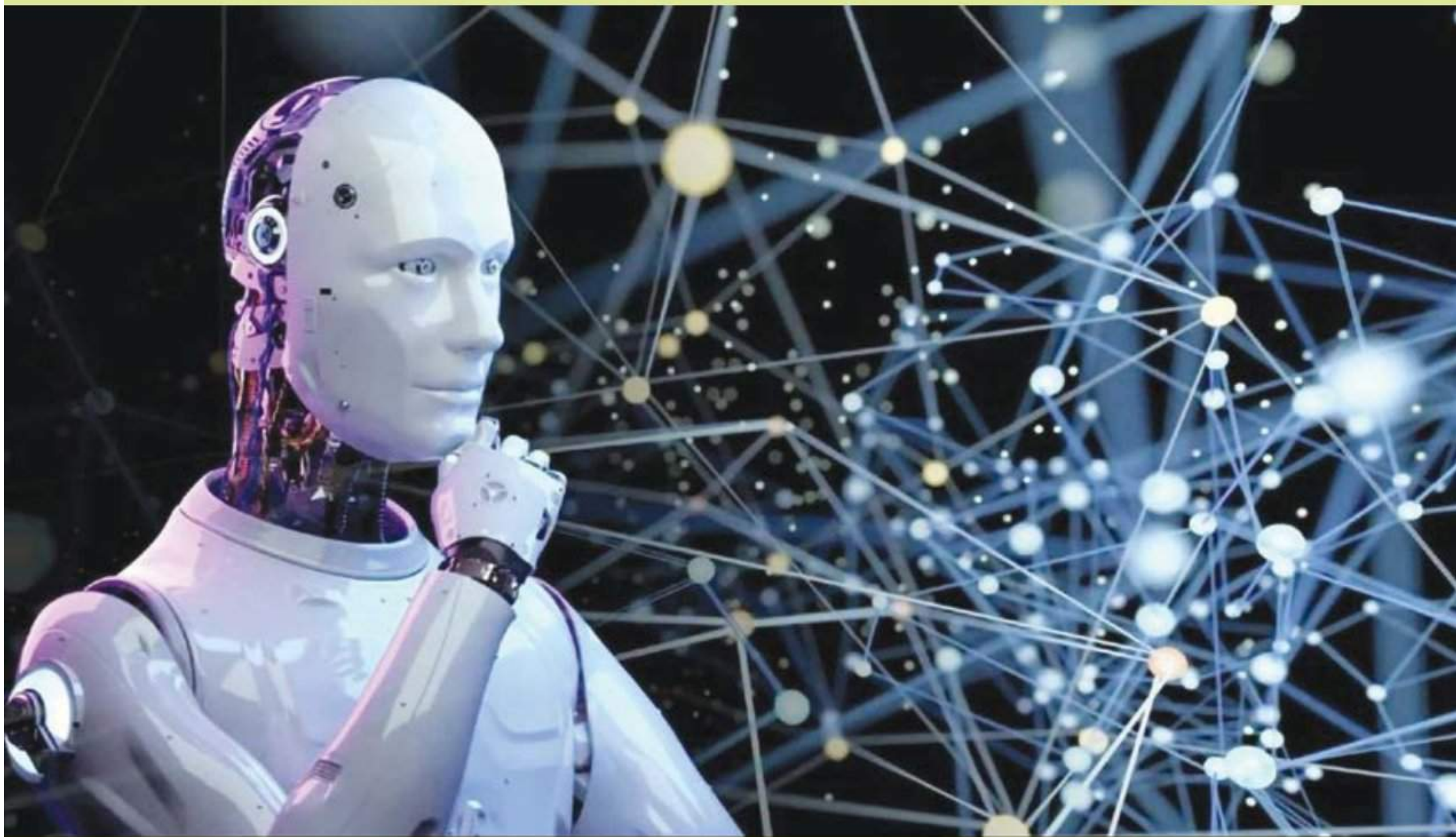
Number of NBAA candidates per session in both November 2021 and May 2022 is over 6000 per session, NBAA was able to conduct more than 20 CPD programmes including Web based Seminars (Webinars). More than 10 advisory programs were conducted to both private as well as public entities

The use of information and communication technology has dramatically increased in 2022. NBAA ICT strategy which was developed in 2011, has tremendously improved in terms of effectiveness, economy and efficiency. NBAA has developed Members and Examinations Management

System (MEMS) for online application/registration. A guidance on how to use Members and Examinations Management System (MEMS) has also been issued in order to allow smooth interaction with the system. In addition, from August 2020 MEMS is full accessible via smart phones. Accessibility via smart phones gives Board's stakeholders opportunity to register, apply, check status, process payment and access examination results online, hence increase performance, efficiency and integrity at individual level and the general public as a whole. NBAA has also introduced online diploma and Certificate in IPSAS review classes from March 2023, to avoid the challenges of opening physical classes everywhere particularly in the remote areas. Please enjoy NBAA services at individual/ convenient location and time.

 **CPA Pius A. Maneno**

ARTIFICIAL Intelligence



Artificial Intelligence (AI) is an area of technology that is evolving rapidly. It promises revolution on how things are done in various sectors and

industries. The promised changes are not far from now, we are witnessing its application on various areas such as driverless cars, home energy systems

and investment portfolio management. These changes are expected to have impact both accounting and auditing.

AI enhance the ability of data analysis, by being able to analyze full population of data and to identify outliers or exceptions.

The term "AI" describes computing systems that exhibit some form of human intelligence. AI interlink number of technologies including, machine learning, image recognition, data mining, speech recognition, augmented reality, and sentiment analysis.

These AI technology fields provide wide opportunity when used separate or in combination, for instance, machine learning can be used in accounting by automatically coding accounting entries. Auditors also can use machine learning by creating sophisticated machine learning-based models, to improve fraud detection.

The audit area is set to be further revolutionized by using deep learning, a form of AI that has a capability to analyze unstructured data such as media posts emails, text files, social media posts and conference call audio files.

An example of AI application to audit is in contract review. Machine learning tools can help humans to analyze a larger number of contracts, such as leases, in a much shorter timeframe than is possible

with a traditional manual review. In a recent pilot, AI tools were able to accurately extract information from lease contracts using pre-selected criteria in the vast majority of cases a higher level of precision than the average human reviewer is capable of.

AI will improve the work of auditor by making it possible to work better and smarter, it will also improve time optimization by enabling auditor to use their human judgment to analyze a broader and deeper set of data and documents.

AI will enable auditors to ask better questions and improve interactions with CFOs, audit committees and board of director, this will add value to the audit process as a whole. Generally, AI could help in provision of better-quality audits and an exciting future for auditors.

How to leverage AI in finance and accounting?

Enterprises that jump on the digital transformation train by adopting AI have the advantage as they can leverage AI to all aspects of accounting, including improved operational efficiency, reduced costs, and more significant ROI. For instance:

Payables/ Receivables Processing

Invoice processing is considered one of the more time-consuming and labour-intensive parts of the enterprise. AI-based invoice management systems help by increasing the volume, performing zero-error processing, and improving vendor relationships.



The term "AI" describes computing systems that exhibit some form of human intelligence. AI interlink number of technologies including, machine learning, image recognition, data mining, speech recognition, augmented reality, and sentiment analysis.

Supplier Onboarding

The AI-based approach helps expand customers' reach, increase revenue, and evaluate the suppliers with minimal human intervention.

Procurement Processes

Purchasing and procurement processes mean a lot of paperwork - sometimes in different systems that are seemingly unconnected! With AI-driven workflows, finance teams can process unstructured data while automatically mitigating governance/compliance/risks.

Auditability

Data analytics establishes the scope of the audit, and risk assessment as RPA and analytics facilitate tracking of routine transactions. Cognitive computing, predictive analytics, and AI enable tracking more complex transactions that go with estimates and judgments.

Monthly and Quarterly Cash Flows

AI-based tools empower enterprises to reconcile financial activities quickly, understand historical cash flows, and predict future cash requirements. AI applications also ensure that all financial processes are secure by collecting data from many sources and integrating the data.

Expenses Management

When manually done, managing expenses-related processes is not only filled with complex paperwork - but also prone to fraud and data breaches. Expenses management automation ensures almost zero errors and alerts the team to a breach if it occurs.

Chatbot Support

AI-driven chatbots help solve user queries quickly and efficiently, including queries on account balance, financial statements, account status, etc. Tracking outstanding invoices and automating

the follow-up collection processes with AI ensures that accounts are kept balanced and closed promptly. Moreover, AI chatbots answer customers' routine questions and can provide level-1 support.

Adopting AI and automation tools into an enterprise can come with a few challenges, but none that can't be overcome.

Inherent challenges of adopting AI in accounting

No doubt, the stakeholders of an enterprise have recognized the value of adopting AI-powered systems and applications. However, it also requires a shift in the mindset of more than the CFOs. The finance and accounting professionals need to make the shift and equip themselves with the necessary skills and knowledge.

The finance teams must appreciate that they are now free to contribute to



new business relationships, improve existing partnerships, and work from a position of strength, thanks largely to AI and the resulting critical insights.

Enterprises must not only invest in technology but also the workforce required to handle said technology. It means that they must also provide proper training and support for the teams to use AI to optimize productivity efficiently.

As advanced technology evolves, it will only become more sophisticated, with more tools and systems becoming available to finance and accounting. The rapid expansion into digital transformation with AI and automation sets the pace for quick learning and the adoption of new ways of time and cost-cutting.

Finally, finance and accounting teams adopting AI to their practice will be better able to analyze a tremendous amount of data, identify patterns and trends. Even better, they will be able to use the latest technology and tools to support various working modes and geographies by taking over routine tasks that are better suited to machines 📁



A PRACTICAL ROADMAP for Introducing Agility TO CERTIFIED Public Accounting Firms

Fueled by competition, technological changes, and the impact of COVID-19, the landscape for certified public accounting firms is more competitive and dynamic than ever. Organizational agility has become an important feature in empowering firms to turn these potential challenges into opportunities to thrive. This article provides guidance about how an accounting firm can use firm-centric teams to introduce agility into the organization. Based on one firm's case study and academic theory, the authors highlight four distinct phases that firms can follow, from the initial phase of team formation until the final phase of self-governance.

Although CPA firms have always faced a dynamic business environment, the impact of emerging technologies and increased regulation are causing the

rate of change to escalate. The ability of CPA firms to adapt to change will determine which firms struggle and which thrive. Robotic process automation, predictive analytics, machine learning, and blockchain are just a few of the emerging technologies that have the power to significantly disrupt the profession (D. Lehmann, "Building a Next-Generation Internal Audit Organizational Structure,")

As these emerging technologies alter the competitive landscape, CPA firms will need to adjust to focus on the highest-value activities that will enable them to prosper (D. Lehmann, M. Thor, "The Next Generation of Internal Audit,")


Another environmental disruption that has had a profound impact on how firms conduct their service activities has been the COVID-19 pandemic. CPA firms of every size have had to readjust, realign, or regroup

throughout the pandemic, both from providing their own service activities and from the impact on their clients. One significant adjustment made by many firms and clients was the movement to a virtual work environment. The authors have spent time visiting with numerous professionals from accounting firms of all sizes and found some consistent themes. Many of these professionals noted that "the virtual work environment will be here to stay in some capacity." Therefore, CPA firms must consider how to manage a more virtual business environment over a longer time frame than originally anticipated. Understanding the impact that a more virtual business environment will have on a firm's services going forward constitutes another strategic imperative.

Many organizations view a transformation to an agile culture as a potential solution for dealing with a quickly changing business environment, because such an organization has the ability to be fast, nimble, and adaptive (W. Aghina, A. De Smet, K. Weerda, "Agility: It rhymes with stability," *McKinsey Quarterly*, December 2015, <https://mck.co/3U5vtR5>). Agile organizations have strong cultures of proactive collaboration, continuous improvement, and innovation, allowing them to respond to and take advantage of environmental forces quickly and effectively. The benefits associated with agile organizations are widely documented; however, transforming into an agile organization can be challenging. It requires a shift in employees'

mindsets, behaviors, and skills, which can be problematic for a traditional organization whose employees have pre-existing attitudes and behaviours that may be incompatible with a more agile culture (R. Newmark, G. Dickey, W. E. Wilcox, "Agility in audit: Could scrum improve the audit process?" *Current Issues in Auditing*, 2018, <https://bit.ly/3DyJbFa>).

agility into a traditional organization such as a CPA firm. This article is designed to help CPA firms that are struggling to adapt, innovate, and grow in this increasingly uncertain business environment. The authors use a combination of experience and theory developed from the existing literature on agility, as well as evidence gathered from

why agility experts have noted that it is better to be structured for agility than to attempt to be agile when necessary (C.G. Worley, T. Williams, E.E. Lawler III, *The Agility Factor: Building Adaptable Organizations for Superior Performance*, Jossey-Bass, 2014) 



Internal auditors are beginning to recognize the benefits of the role of agility in the next generation of internal audit (Lehmann and Thor, 2020); it appears that organizational agility will become an even greater imperative for organizations with limited resources. There is limited guidance, however, on how to introduce organizational

a CPA firm undergoing an organizational transformation to an agile culture, to provide a guide for how to incorporate and foster organizational agility. Agility cannot be cultivated by a transformation in attitude and mindset alone. Structures must be put into place to develop the behaviours and skills reflected in an agile culture, which is

“As these emerging technologies alter the competitive landscape, CPA firms will need to adjust to focus on the highest-value activities that will enable them to prosper (D. Lehmann, M. Thor, "The Next Generation of Internal Audit,"



(NBAA)

THE NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS

THE BEST PRESENTED FINANCIAL STATEMENTS FOR THE YEAR 2021

INTRODUCTION

Seventy-eight (78) reporting entities submitted their audited financial statements for the purpose of evaluation and competing for the Best Presented Financial Statements for the year 2021.

The NBAA appointed a team of nine (9) experts from a number reputable institutions within Tanzania to evaluate the financial statements received in order to select the “Best Presented Financial Statements”.

WINNERS AWARDED

5.1. Banking Category (Large Banks)

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

5.2. Banking Category (Small and Medium Banks)

- 1st – DCB Commercial Bank Plc
- 2nd – KCB Bank Tanzania Ltd
- 3rd – Guaranty Trust Bank (Tanzania) Ltd

5.3. Manufacturing category

- 1st – Tanga Cement Public Limited
- 2nd – Tanzania Portland Cement Public Limited Company
- 3rd – Tanzania Cigarette Public Limited Company

5.4. Trading and distribution category

- 1st – Vodacom Tanzania Plc
- 2nd – Air Tanzania Company Ltd
- 3rd – Swissport Tanzania Plc

5.5. Government agencies category Users of IPSAS

- 1st – Tanzania Revenue Authority
- 2nd – Tanzania Broadcasting Corporation
- 3rd – Government Procurement Services Agency

Users of IFRS

- 1st – Tanzania Electric Supply Company Limited
- 2nd – National Housing Corporation
- 3rd – Arusha International Conference Centre

5.6. Insurance categories:

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

5.7. Regulatory Authorities categories:

- 1st – Tanzania Shipping Agency Corporation
- 2nd – Energy and Water Utilities Regulatory Authority
- 3rd – Tanzania Civil Aviation Authority

5.8. Water authorities' category:

- 1st – Iringa Urban Water Supply and Sanitation Authority
- 2nd – Dar es salaam Water Supply and Sanitation Authority
- 3rd – Tanga Water Supply and Sanitation Authority

5.9. Local government authorities' category:

- 1st – Dar es salaam City Council
- 2nd – Buhigwe District Council
- 3rd – Makambako Town Council

5.10. Higher Learning Institutions:

Higher Learning Institutions (Users of IPSASs)

- 1st – Mzumbe University
- 2nd – University of Dodoma
- 3rd – Sokoine University of Agriculture

Higher Learning Institutions (User of IFRSs)

- 1st – Catholic University of Health and Allied Sciences

5.11. Ministries and Government Departments Category:

- 1st – Accountant General's Department (Vote 23)
- 2nd – Ministry of Finance and Planning (Vote 50)
- 3rd – National Assemble Fund – Vote 42

5.12. Regional Administrative Secretariats Category:

- 1st – Dodoma Regional Administrative Secretariat
- 2nd – Kigoma Regional Administrative Secretariat
- 3rd – Manyara Regional Administrative Secretariat

5.13. Non-governmental organizations Category:

Users of IPSAS

- 1st – Comprehensive Community Based Rehabilitation in Tanzania (CCBRT)
- 2nd – Management and Development for Health (MDH)
- 3rd – SIKIKA

Users of IFRS

- 1st – Mtandao wa Vikundi vya Wakulima Tanzania (MVIWATA)
- 2nd – TWaweza East Africa
- 3rd – Foundation for Civil Society

5.14. Pension Funds Category:

- 1st – Public Services Social Security Fund
- 2nd – National Social Security Fund
- 3rd – National Health Insurance Fund

5.15. Overall Winners:

User of IFRSs –
Tanga Cement Plc

User of IPSASs –
Tanzania Revenue Authority 



TANZANIA MOVES CLOSER TO INTRODUCE DIGITAL CURRENCY

Tanzania is moving closer to introducing a central bank digital currency, as the foray into the digital currencies (CBDCs) in Africa intensifies.

The Central Bank Governor, Professor Florens Luoga is quoted by Bloomberg as saying the central bank digital currencies would be

introduced to help counter the rising popularity of cryptocurrencies in the nation.

"It's important for us to provide a central bank digital currency as a safe alternative because many people are being affected by cryptocurrency speculators," Prof is quoted as saying in an interview in

May.

The bank could not ignore the technological advancement of money, he said.

Last April 2022, the Minister for Finance, Dr Mwigulu Nchemba said African countries need to be more familiar with advantages and potential risks of the

digital currencies before making informed decisions on their use.

Speaking at a virtual conference organized by the central bank and IMF on crypto assets and central bank digital currencies, Dr Nchemba said much was still to be learned from the digital currencies.

“One of the central issues that I would wish this conference to discuss and provide a clear guidance is whether countries should put in place regulatory framework for monitoring and supervision on the digital transactions or discourage use of these assets,” said the minister in the virtual conference.

The Central Bank was finalizing preparations of

a business case for CBDC and evaluation of the crypto assets which will require reforms in legal and institutional structures to enable requisite governance of digital financial services, he said.

In June last year 2021, Samia Suluhu Hassan told the Central Bank to prepare for crypto and blockchain amid growing use of the digital currency worldwide.

President Samia Suluhu Hassan said the Bank of Tanzania should “be ready for changes and not caught underprepared.

“I know that throughout the nation, including Tanzania, they have not accepted or started using these routes. However, my call to the Central Bank is that you

should start working on that development.”

Nigeria became the first country in Africa to pilot its central bank digital currency (CBDC), dubbed the eNaira, in October last year while Ghana is said to be at an advanced stage of rolling out its e-cedi. The Bank of Zambia is also carrying out research on digital currencies.

Nine in 10 central banks are exploring creating their own digital currencies, according to the bank of International Settlement. Governments are considering CBDCs as national currency -- unlike their crypto counterparts, such as Bitcoin and Ethereum, which are not tied to fiat currency 🇸🇰



EXAMINATIONS HELD IN

AUGUST AND NOVEMBER 2022

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

Diploma in IPSAS examinations are also held during the Mid-session examinations. The other two are the main examination sessions which are held in May and November.

(a) 14th Mid-session examinations - August 2022

SUBJECT	NO. OF CANDIDATES WHO SAT	NO. OF CANDIDATES WHO PASSED	NO. OF CANDIDATES WHO FAILED
A5: Business Law	09	07 (77.8)	02 (22.2)
B1: Financial Reporting	85	40 (47.1)	45 (52.9)
B4: Public Finance & Taxation	32	29 (90.6)	03 (9.4)
B5: Performance Management	133	77 (57.9)	56 (42.1)
C1: Corporate Reporting	143	43 (30.1)	100 (69.9)
C3: Business & Corporate Reporting	198	111 (56.1)	87 (43.9)
C4: Advanced Taxation	45	32 (71.1)	13 (28.9)

In August 2022, six (06) candidates qualified for CPA (T) Equivalent Certificates and 128 candidates qualified for CPA (T) Certificates.

(b) 1st Intake of Certificate in IPSAS - August 2022

SUBJECT	NO. CANDIDATES	PASS	%	FAIL	%
CO1 Closed Book Paper	48	47	98.0	01	02
CO2 Open Book Paper	48	46	96.0	02	04

In August 2022, 45 candidates passed both Closed and Open Book Papers and therefore eligible for the award of Certificate in IPSAS.

(c) 12th Diploma in IPSAS Examinations - August 2022

SUBJECT	NO. CANDIDATES	PASS	%	FAIL	%
D01 Closed Book Paper	82	76	92.7	06	7.3
D02 Open Book Paper	82	76	92.7	06	7.3

In August 2022 Diploma in IPSAS examinations, seventy-three 73 (87.9%) candidates qualified for the award Diploma in IPSAS certificates.

(d) 86th NBAA Examinations - November 2022

EXAM LEVEL	NO. REGISTERED	NO. SAT	NO. PASSED WHOLE LEVEL	NO. PASS SOME SUBJECTS	NO. FAILED
ATEC I	90	82 (91.1)	36 (43.9)	30 (36.6)	16 (19.5)
ATTEC II	165	153 (92.7)	36 (23.5)	65 (42.5)	52 (34.0)
FOUNDATION	776	703 (90.6)	339 (48.2)	278 (39.5)	86 (12.2)
INTERMEDIATE	3,459	3,142 (90.8)	549 (17.5)	1,526 (48.6)	1,067 (33.9)
FINAL	1,836	1,824 (94.1)	344 (18.8)	786 (43.2)	694 (38.0)
TOTAL	6,429	5,904 (91.9)	1,303 (22.0)	2,691 (45.5)	1,916 (32.4)

NBAA 86th examinations session a total of **38** candidates qualified for the Accounting Technician Certificate where **14 (36.6%)** are female and **24 (63.2%)** are male. While, a total of **343** candidates qualified for the Certified Professional Accountant [CPA (T)] Certificate where **159 (46.4%)** are female and **184 (53.6%)** are male.

(e) CPA (T) Equivalent Examinations - November 2022

Subjects	Number of entries	Number pass	%
A5: Business Law	06	06	100
B1: Financial Management	05	03	60.0
B2: Financial Accounting	05	03	60.0
B3: Auditing Principles & Practices	02	01	50.0
B4: Public Finance and Taxation	15	10	66.7
B5: Performance Management	05	03	60.0
C2: Auditing & Assurance Services	02	02	100
C3: Business and Corporate Finance	07	03	42.9
C4: Advanced Taxation	13	11	84.6

12 candidates with foreign CPA equivalent qualification passed and were eligible to register as CPA (T) Equivalent. Among them **04 (33.3 %)** were female and **08 (66.7%)** were male



GRADUATION CEREMONY

2022

On 1st October 2022 NBAA Conducted a graduation ceremony for those who qualified in different levels of the accounting profession i.e., ATEC, Diploma in IPSAS, Certificate in IPSAS, CPA

(T) and CPA (T) Equivalent the graduands who celebrated in this occasion were the candidates of November 2021, February 2022, May 2022, and August 2022 examination sessions.

Different categories of prizes were awarded to the graduands, Tuition providers and accountancy training institution according to their levels of performance.



GRADUANDS OF NOVEMBER 2021

ATEC 44

CPA (T) 261

CPA EQUIVALENT 11

GRADUANDS OF FEBRUARY 2022

CPA (T) 72

CPA EQUIVALENT 4

DIPLOMA IN IPSAS 64

GRADUANDS OF MAY 2022

ATEC 46

CPA (T) 387

CPA EQUIVALENT 18

GRADUANDS OF AUGUST 2022

CPA (T) 128

CPA EQUIVALENT 6

CERTIFICATE IPSAS 48

DIPLOMA IN IPSAS 83

TOTAL NUMBERS OF GRADUANDS FOR THE YEAR OCTOBER 2022;

ATEC 90

CPA (T) 848

CPA EQUIVALENT 39

CERTIFICATE IN IPSAS 48

DIPLOMA IN IPSAS 147 📄





A cross section photo of October 2022 Graduands.

Annual Conference 2022

“

The National Board of Accountants and Auditors (NBAA) held a three-day Annual Conference in Dar es Salaam in December 2022 with the theme Professionalism, Public interest and Sustainability.

The Annual Conference is the avenue for the whole of the NBAA family including partners and stakeholders to get together for training and the invaluable social and networking opportunities.

The Conference was held at APC Hotel and Conference Centre in Bunju, Dar es Salaam. The beginning of the conference was preceded by the climax of NBAA 50 Years celebrations.

The climax of NBAA 50 Years celebrations began with introductory remarks from the NBAA Executive Director, CPA Pius Maneno, followed by Congratulatory remarks from IFAC President Ms. Asmaa Resmouki. The Welcoming Remarks was given by CPA Prof Sylvia S. Temu who is the NBAA

Board Chairperson followed by opening speech of the Guest of Honour from Hon. Dr. Mwigulu L. Nchemba (MP) Minister for Finance and Planning who was represented by CPA. Hon. Jamal Kassim Ali Minister of State, Office of the President, Finance and Planning Zanzibar.



The NBAA 50 Years was also accompanied by other activities whereby NBAA Book was launched, the book titled HISTORIA FUPI YA MIAKA 50 YA NBAA (FACT BOOK) NOVEMBER 1972 - NOVEMBER 2022, followed by awards for the Football

tournament winners, founders of NBAA, Sponsors and awards to the Guest of honour. The celebrations of NBAA 50 Years were ended by Vote of thanks from NBAA Governing Board Vice Chairman CPA Professor Ganka D. Nyamsogoro.



The Annual Conference resumed with presentation from different speakers whereby the first paper was presented by CPA Dr. Neema K. Msusa, partner Ernst & Young, and it was all about ESG Measurement and Disclosure challenges in Tanzania.

There after it was followed by Gala Dinner and Award of the Best Presented Financial Statements session where the winners were presented with various awards.



Four papers were presented on the second day of the Conference. These were 'Updates on Unclaimed Financial Assets in Tanzania Financial Services presented by CPA Alexander Njombe - Country Partner, KPMG Tanzania; 'Emotional Intelligence,' presented by Mr Robert D. Zembazemba, Lecturer, College of Business Education (CBE) Dar es Salaam and Transforming the Accountancy Landscape; Moving with the Trends, presented by Ms Alta Prinsloo, Chief Executive Officer (CEO) Pan African Federation of Accountants (PAFA).

For the last day of the conference three papers were presented. These were; 'CFO - Leading the Way on Sustainability and Value Creation, presented by CPA Sanjay Rughani- CEO, Standard Chartered Bank-UGANDA; 'Mental Health Beyond Accounting,' presented by Ms. Hesperance D. Kilonzo-Nutritionist Consultant at Maisha and Lifestyle Partner. The last paper was presented by CPA Eric Sambu, Managing Director; SGA Security and it was about Risk Management and Governance of Organization in an Uncertain World.

Day three of the conference was concluded by a closing ceremony whereby Introductory Remarks were given by CPA Pius A. Maneno- NBAA Executive Director, Welcoming Remarks were given by CPA Professor Sylvia S. Temu - NBAA Governing Board Chairperson and the Conference was officially closed by the Guest of Honour Hon. Dr. Mwigulu L. Nchemba (MP) Minister for Finance and Planning who was represented by CPA Hon. Jamal Kassim Ali, Minister of State, Office of the President, Finance and Planning Zanzibar. 📌



MONEY LAUNDERING



NBAA role to combat
money laundering

How NBAA supports
anti-money laundering
crusade

NBAA role in anti-
money laundering
crusade explained



By Accountant Magazine Reporter

A Chinese woman, Yang Fenglan set up two successful businesses in Dar es Salaam in late 1990's: Beijing Restaurant and Beijing Great Wall Investment. She became one of the most successful female entrepreneurs.

However, she had a dark side that remained unknown for many people. The business woman, aka Ivory Queen, organised, managed, and financed a sprawling wildlife crime racket in Tanzania, buying, collecting, transporting, and selling trophies including elephant tusks.

She was arrested in 2015 and convicted in 2019 for 15 years in prison. Both her illicit earnings and assets she bought with them were confiscated.

The assets were obvious bought by dirty money obtained from criminal activities and released into legitimate business activities in a process referred to as laundering. The dirty money was laundered to make it look clean and released into the circulation undetected.

Money laundering, a term applied to the act of concealing the origins of dirty money and releasing it undetected into legitimate business activities, is a serious global financial crime with devastating impacts on economic, security, and social spheres.

It is a global issue generated in conflict regions by drugs trade, piracy, wildlife trafficking and other serious crimes.

The same international financial mechanisms used to launder these crime proceeds provide financial

support for terrorism. Newly emerging and increasingly complex money laundering techniques are appearing, involving the use of the international trade regime, cash couriers, alternative remittance systems and complex corporate structures.

The United Nations believes that estimated value of money laundering worldwide, according to recent statistics, is between 2 per cent and 5 per cent of the world's GDP. That's approximately \$800 billion to \$2 trillion laundered annually.

Tanzania has taken measures to combat money laundering and the financing of terrorism. It established Financial Intelligence Unit (FIU) in 2006 which is responsible for receiving suspicious transaction reports from reporting persons, in relation to suspected

HOW DIRTY MONEY IS LAUNDERED

Typical Money Laundering Scenario





money laundering and terrorist financing activities, analysing and disseminating intelligence to appropriate law enforcement agencies for investigation and further action.

The FIU is an integral part of Tanzania's efforts in the fight against the global crimes of money laundering and terrorist financing. Preventing organised crime and ensuring Tanzania's security are responsibilities we all share.

Licensees under the Bank of Tanzania (BOT), licensed brokers, dealers and investment advisors under the Capital Markets and Securities Authority, insurers under the Insurance Supervisory Authority and casinos under the Gaming Board and many others are required to file a Suspicious Transaction

Reports (STR) with the FIU when there are reasonable grounds to suspect that a transaction is related to money laundering or a terrorist financing offence.

The National Board of Accountants and Auditors (NBAA) Executive Director, CPA Pius Maneno ones said members of the accountancy profession in Tanzania acting in different capacities contributed their expertise in implementing and monitoring controls that trigger money laundering and in identifying warning signs of possible illegal activity.

They are responsible for undertaking functions associated with accuracy, collection, recording, evaluating, and organization or presentation of financial operations in both public

and private sectors.

Accountants and auditors are responsible for fighting against and combating money laundering by reporting any suspicious transactions or activities.

Accountants and auditors are required to assess the money laundering and terrorist financing risks basing on the products and services, client types, the jurisdictions of client origin, source of funds, delivery channels, and type and conduct of business.

However, because of the nature of their work accountants and auditors are at risk of being exploited by criminals to launder money. NBAA being a regulatory authority of the accountancy profession in Tanzania has a role of helping accountants and auditors in enhancing

their understanding of how money laundering works, the risks they face, and what they can do to mitigate these risks and make a positive contribution to the public interest.

In many cases, NBAA organizes seminars that include topics on the Anti-Money Laundering and terrorist financing and also has issued a booklet on 'Anti-money Laundering Guideline for Accountants and Auditors' (2019).

It also issued the Anti-Money Laundering Guidelines for Accountants and Auditors for the first time in January 2010, in collaboration with Financial Intelligence Unit (FIU) to assist its members to comply with the requirements of the Anti-Money Laundering Act (AMLA), 2006 (CAP. 423) and its regulations.

Accountants and auditors being reporting persons are obliged to carry out customer due diligence, maintain records, report suspicious transactions and maintain internal reporting procedures aimed to detect and prevent money laundering and financing of terrorism (ML/TF) activities.

The revised Guidelines provide members with more details on the requirements of the Prevention of Terrorism Act (POTA), CAP 19, Cash Transaction Report Regulations and considerations of the National ML/TF Risk Assessment conducted in 2016, which encourage the application of risk based approach.

The revised Guidelines have included case studies on fighting money laundering, terrorist financing and economic crime in order to provide some practical guidance to members and the lesson to be learned from those case studies. The case studies have been used only for the purpose of illustrating red flags which members should pick up to identify suspicious activities. 📌

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NBAA 50-YEARS Anniversary Celebrations



November 2022 marked fifty years anniversary since the establishment of the National Board of Accountants and Auditors (NBAA), herein referred to as the 'Board'. The Board was established in November 1972. The Governing Council of the Board formed the 'NBAA 50-Years Anniversary Celebrations Committee' herein referred to as the 'Committee' to coordinate the 50-years celebrations on behalf of the Board.

The Committee held discussions and meetings

with stakeholders, including the Governing Council, to ensure that the theme represents the current challenges in the market and the developments in the accounting profession

The anniversary was planned to have different activities before reaching the final day of the celebration, among them were exhibitions and accountancy clinic, International Accounting Day, Charity walk, football tournament and then the climax of 50 years anniversary celebrations.

Exhibitions and accountancy clinic

Different stakeholders were invited to participate in the Exhibitions which were conducted at Mnazi Mmoja grounds from 10th to 12th November 2022.

During the exhibitions at NBAA booth there were displays of different items to show Board history since 1972.

There were also the dental checkups during the exhibition offered by Esnan Turkish dental clinic free of charge.

International Accounting Day

10th November each year is an International Accounting Day. In 2022 the day was

marked by Gala Dinner was prepared by NBAA, TAWCA and TAA. The event was conducted at Johari Rotana Hotel in Dar es Salaam with around 300 participants.



The Chairman of NBAA Governing Board **CPA Prof. Sylvia S. Temu** together with NBAA Executive Director **CPA Pius A. Maneno** during International Accounting day.



Accountant woman during International Accounting day (Gala dinner).

50- Years Anniversary Charity walk

The event was planned to give chance to accountants and other stakeholders to have fun together with contributing to the society, The event was attended by

730 participants who paid for the walk. The charity walk enabled the Board to raise some funds that were used to purchase text books. Books for Bookkeeping, Commerce and Mathematics were given to 4 schools two

at Tanzania Mainland (Makurumla Sec. School, Kerege Sec. School) and two for Island (Skuli ya Biashara Zanzibar and Chasasa Sec. School from Pemba). Each school got 50 book titles.

Football tournament

8 Teams were invited to participate in the 50 years anniversary football tournament which were: -

1. EY
2. PWC
3. KPMG
4. INNOVEX
5. PKF
6. TRA
7. TECHNO AUDITORS
8. CLOUDS MEDIA

The tournament was scheduled to kick off on 15th November and finalized on 28th November.

Tournament was arranged on three stages to include semifinal and final stage Three top team winners were:

- ❖ 1st Techno Auditors
- ❖ 2nd KPMG
- ❖ 3rd PKF

Winners and all participant teams were provided with their awards on 30th November 2022 at APC Bunju.



A photo of football tournament during the final match.



The climax of 50 years Anniversary

The climax was on 30th November, and the Guest of honour was The Honorable Minister of State, President Office, Zanzibar Dr. Jamal Kassim Ali. A total of 200 guests were invited

and among them were former and current Board members, tuition providers, auditing firms, universities, employers, previous NBAA employees and other stakeholders.

On this day the NBAA Book was launched presentation

of awards to the Football tournament winners, and award of the Best Presented Financial Statements for the year 2021. 📖

Obituary



Mr. Alanusy Kidaula

Mr. Alanusy Kidaula, age 56 passed away peacefully on 9th November 2021 at Muhimbili National Hospital. He was born in February 19th 1966 in Malinyi Ulanga.

Mr. Kidaula was employed by the National Board of Accountants and Auditors in 2000 as a

Driver II. Mr. Kidaula truly lived his life to the fullest through prayers, Hardworking, Charting with friend and family. Mr. Kidaula had uncanny ability to reach people in deep and positive way.

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

May Almighty God rest your soul in his eternal peace. Amen.



Irene Naboth

Controller and Auditor General (CAG) CPA Charles Kichere is deeply saddened to announce the death of **CPA Irene Naboth**, she was an employee in National Audit office at Kinondoni Municipal.

All the servants of the National Auditors office joining our brothers, relatives and friends to mourn this tragedy of losing our loved one.

May Almighty God rest your soul in His eternal peace. Amen.



Passion for Maths shaped her **GLITTERING** **CAREER**

By CPA **Prof. Sylvia S. TEMU**

Mathematics isn't everybody's cup of tea. Some people like it, and many do not.

While some students get nervous doing Maths, some get an adrenaline rush by spending hours tackling a Mathematical problem like young Sylvia at Weruweru Secondary School and later Zanaki Girls High School in the 1970's.

She was one of those rare students who were getting excited solving Mathematic questions that were making others to want to pull their hair out.

She simply enjoyed doing Maths because of an intense passion she had for the subject since when she was in primary

school. Mathematics has been her favourite subject as she went to Weruweru Secondary School in Moshi, Kilimanjaro Region and later Zanaki Girls High School in Dar es Salaam. And it influenced her choice of studies at the University of Dar es Salaam.

As she looks back with nostalgia at her education journey and a distinguished career in accounting and auditing, Professor Sylvia Temu, recalls Mathematics as her major motivation throughout her life as a student, a senior lecturer at the University of Dar es Salaam holding other non-academic positions at the oldest and premier public university in Tanzania, and as the Director of Higher Education at the then Ministry of Education Science and Vocational Training.

"I really liked Mathematics... it was my dear subject," she told Accountant Magazine reporter, noting that her passion for Mathematics was a major motivation to the career she had chosen.

Perhaps initial credits could go to her Mathematics teacher in primary school who contributed in building for her a strong foundation for the subject. The teacher made them memorize the mathematical table and would randomly pick anyone in the class say the table before she began teaching. The mathematical table proved useful as

a building block for the subject.

"I met teacher Yohana Lawrence. She used to teach us how to do simple numerous... You remember that multiplication table at the back of your exercise book? For her you had to do the table whether you like it or not. She used to have a ruler and will just hit you on the finger until you get it correct. You finish the table before she starts teaching..

She said memorizing the tables made it far quicker and easier to work out Math problems in their heads. They had moved using their fingers to work out answers. Later on they were able to use their knowledge to quickly solve multiplication questions.

Mathematicians agree that the tables are an essential building block in Mathematics. They open the door to multi-digit multiplication and demystify processes like long division and simplifying fractions. They lay the foundation for algebra.

Prof Temu said another teacher, named Herman, was also instrumental in building the foundation stone for Mathematics. He taught them concepts and some rules in the subject like calculation of areas.

"Came Grade Five I met teacher Herman. This

was a good teacher who taught us the concepts in Mathematics. For example what does it mean to calculate an area of a triangle, perimeter, circles, radius, etc. and he used to say the moment you master this you won't have any problem with Mathematics.

"He used to tell us Mathematics is a subject based on rules and principles. There is nothing like being good or bad in Math. In Math you can only be right because you master the principles and rules.

"So those two teachers were my real inspirations. Yohana forcefully made us know Mathematics and Herman, Math is rule based. There is no good or bad. You can either be right or wrong.

She says the Grade Five teacher used to tell them there was nothing that was not mathematical.

"He used to say Math is needed at every step of life, and we cannot live without it. It is a subject that is applied to every field and profession. It tells us how things work, and also allows us to predict certain things," she said.

Career choice

Her passion for Mathematics notwithstanding, she had a different career preference. She wanted to become a medical doctor and had

chosen a combination of science subjects for Form Five and Six and passed with distinction. But, she said, fate led her to a different line of studies.

"I completed Secondary school (where) I pursued science subjects. I completed my form four with very good passes in science and Mathematics. My choice then and you can imagine, this was back in 1977, I actually wanted to become a medical doctor, my passion for Mathematics notwithstanding," she said.

"But you know fate is fate. During those days, I don't know whether you would recall, the government used to allocate to us to various courses at Advanced Level of Secondary Education. So I was chosen to do Economics, Geography and Mathematics (EGM) combination at Form Five and Six,

"Thanks God I did very well. I scored A in all my subjects including Mathematics which was a subsidiary subject," she added.

That passion for Mathematics made her start teaching the subject in lower levels while she was in Form Five and Six at Zanaki Girls High School.

Prof Temu said she impressed her teachers because she was good at Math and had a profound passion for the subject and as a result she was asked

by one of her teachers to begin teaching the subject at lower levels which she agreed.

"At that level in Form Five and Six, I was already teaching Mathematics in Form I and II. That was back 1978 and 1979 because my teacher said you are very good teacher and you know Mathematics... Let's go to the lower level and start teaching.

"The teacher's name is Remthula who is now in Canada and we still get in touch he inspired me a great deal. He actually told me to go to back to the ministry to tell them I should do Physics, Chemistry and Mathematics and not EGM. At that time I thought about it...but said this is what God has chosen me to do. So I decided to continue and passed very well with triple A, the first in the country. In those days we were never announced but I know I was the first in the country when it comes to form six performance.

Little did she know that would be a foundation of her long academic career at the University of Dar es Salaam.

University studies

The young Sylvia joined University of Dar es Salaam in 1981 to pursue Bachelor of Commerce in Accounting. Again, her passion for Mathematics played a role in her choice

of studies.

"This Mathematics thing did not leave me so I said let me choose Bachelor of Commerce because I knew in Accounts there are numbers (and) this is what I want to do," she said.

"So I joined UDSM back in 1981. In those years you just choose BA Commerce and start specializing in the 2nd year. So it was not even a question to me. I just decided I'm doing Accounts. I really wanted to work with numbers. Anything with numbers is something that really inspired me," she says.

Joining the university marked her initiation to accounting. With no background of the subject, she used to wonder, for instance, why cash is recorded as credit and not debit in the balance sheet. However it did not take long before she grasped the basics and came to the same page with others who had studied Accounts at secondary school or colleges before joining the University.

She mentions two lecturers at the University of Dar es Salaam who provided a strong motivation and inspired her to become a lecturer in Accounting; the late Prof Ken Edwards, a Jamaican and the late Dr. Fratern Mboya, a Tanzanian who later became the

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Chief Executive Officer of the Capital Markets and Securities Authority (CMSA).

“Here is where I started seeing what is Accounting and account equations of ‘asset is equal to liabilities and plus equity’ having met people like Prof Ken Edwards, a Jamaican who taught us Accounting in the first year.

I’m telling you he would come to the lecture and tell you to read two chapters before the following lecture. He was such a good professor who will make you to read, not just to follow his notes...”

“Prof Ken Edwards was a very strong motivator to me in terms of grooming us to learn on ourselves and to know how to learn and grasp the subject matter through our own efforts. He really pushed us to go into reading books.

“Another person who I met and really fascinated me was Dr Fraten Mboya. He had just graduate with a PhD at University of Arizona in the US and came to teach us. I vowed one day I would teach like Dr Mboya.

“He was teaching with such a passion. He was very good inspiration to me,”

And it was only a matter of time before she became passionate about the accounting profession.

“Accounting was coming

up now, it was not simply Mathematics. It was an application of your Mathematics knowledge in business language which is guided with standards and principles. It was really application of Mathematics not abstract Mathematics that I was used to before. That was now business Mathematics.

The young Sylvia graduated with flying colours at UDSM and could land any job as an accountant and start earning good money, but, she chose to remain at the university as an assistant lecturer her growing passion for Accounting notwithstanding.

“You will wonder why I did not choose to work as an accountant. I never never applied to work as an accountant and instead I wanted to teach. I joined University of Dar es Salaam without any knowledge of Book Keeping. I really wished to see that I teach students in a manner that they would grasp thoroughly accounting related business,” she said.

She would however settle for auditing to complement what she has been teaching in accounting in practice.

“But finally I settled for auditing. Why? It is auditing where everything you teach in accounting is practiced and through auditing you communicate all information about accounting.

How rewarding has her glittering career been?

She said it had been greatly rewarding through the success stories of her students.

"That *Shikamoo Mwalimu* I get when I meet my students is a gratifying statement. It tells me I have been able to help. I have contributed to transforming my students. I have somehow contributed to their success.

On personal level, she said, it has been rewarding as she climbed up the academic career ladder to the higher level of academic achievement.

"My career so far has been spent climbing academic ladder. It has been very rewarding in many respects," she said.

In the public I humbly see that I get some kind of recognition. And in the profession I have been spotted as one of recognized person. No wonder her excellence (President Samia Suluhu Hassan) appointed me to serve as chairperson of NBAA.

President Samia Suluhu Hassan appointed the Chairperson of the Board of Directors of the National Board of Accountants and Auditors (NBAA) in November 2021.

Prof Temu held a non-

academic management position at UDSM when was appointed Director of Finance and Planning from 2008 to 2013.

She proudly remembers that during the five-year period UDSM received clean auditing report from independent auditors at the time it was undertaking big projects that involved a lot of funds.

"At the UDSM I have been serving as an academic and administrator... From 2008 up to 2013 I served as Director of Finance and Planning. So I have actually practised in the real sense what I have been teaching all along. Now with all the finance stuff and for five years and all the projects we were carrying out we got clean auditor opinions," she said.

From managing UDSM finances and planning, she went to manage education policy of the whole country when she was appointed Director of Higher Education at the Ministry of Education and Vocational Training for four years from 2014 to 2017.

"It was in interesting time from managing UDSM finances to overseeing implementation of the higher education policy for the whole country in terms of quality, access and equity."

She said the major issues during her tenure at the Ministry included increasing access to higher

education to meet growing demand where she worked with Tanzania Commission for Universities (TCU) to promote accessible, equitable and harmonized quality university education systems that produce nationally and globally competitive graduates.

She also worked with Higher Education Students' Loans Board (HESLB) to enhance access to higher education through managing loans and grants for needy Tanzanian students in higher and tertiary education and collect due loans from loan beneficiaries and use it as revolving fund.

Prof Temu said it was a humbling experience to work as the Director of Higher Education because of the nature of the job where they were working on sensitive matters that touch on the lives of the people with direct impact on national development.

"What has been so significant is my life at the Ministry where we were meeting with different people and experts of different areas debating on national education agenda. That has been so humbling experience to me. It humbles me. We worked with information that was so well worked out. Sometimes we academicians do not really understand how the government works. And that is where I got a lot of insights that humble me," she said. 📌



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