The NBAA Professional Qualification – Review and Recommendations

ICAEW Review and Guidance

This report has been prepared as part of the project being undertaken by ICAEW for the World Bank under a contract with the Bank of Tanzania:

Tanzania: Strengthening the capacity of the NBAA

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Table of Acronyms	
ACCA	Association of Chartered Certified Accountants
CPA (T)	Certified Public Accountant (Tanzania)
CPD	Continuing Professional Development
IAS	International Accounting Standards
ICAEW	Institute of Chartered Accountants in England and Wales
ICAS	Institute of Chartered Accountants in Scotland
IES	International Educational Standards
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IFRS for SMEs	International Financial Reporting Standards for Small and Medium-sized Entities
IPSAS	International Public Sector Accounting Standards
NBAA	National Board of Accountants and Auditors
PEST analysis	Political, Economic, Social, and Technological analysis

Table of contents

1 Introduction 6
1.1 Background to this review 6
1.2 Information sources used 6

2 Headline observations and findings 8
2.1 Syllabus and assessments 9
2.2 Examination procedures and rules 13
2.3 Examination and assessment processes 13
2.4 Pathways to entry 13
2.5 Teaching and learning provision 14
2.6 Teaching and learning materials 15
2.7 IFAC requirements for IES 1, 2, 3, 4 and 5 16
2.8 Public and private sector integration in the curriculum 17
2.9 The brand and marketing of the NBAA and its professional qualification 17

3 Recommendations 18
3.1 Syllabus changes 19
3.2 Liberalisation of examination procedures and rules 28
3.3 Enhancement of examination and assessment processes 28
3.4 Pathways to entry 29
3.5 Teaching and learning provision 29
3.6 Teaching and learning materials 30
3.7 Enhancement of work experience requirements to meet IFAC IES 5 principles 32
3.8 Public and private sector integration in the curriculum 33
3.9 Strengthening the brand and marketing of the NBAA and its professional qualification 33

4 Roadmap 34

Annex 1: Proposed Syllabus 36

Executive summary

ICAEW has carried out a full curriculum-based review of the NBAA professional qualification. The review has covered a full review of the current professional syllabus, examination processes and procedures, pathways to entry, teaching and learning and practical work experience requirements.

The current syllabus of the CPA qualification was introduced to the classroom in early 2008 and the examinations under the new structure started in May 2008.

Professional bodies must champion the quality and credibility of their professional qualification. In general the NBAA professional qualification is well regarded. It is however timely for a review against international comparators and benchmarks in a range of areas, including the syllabus and exemption policy, the quality of teaching and learning and the practical work experience requirements.

The NBAA has not been universally the 'qualification of choice' for students in Tanzania, due to some loss of market share to international comparators. Our review has therefore also included the need for brand and marketing on the new NBAA professional qualification

This report highlights the key findings of our review, including the following:

Selected findings

Current syllabus lacks an overall vision of an NBAA professional accountant. It has too many papers and focuses more on academic content rather than practical examples and business scenarios.
Current assessments lack the use of business scenarios and do not examine knowledge and skills in context.
The current exemption policy is a light touch that contributes to low pass rates at final stage of examination.
Teaching and learning processes vary in quality.
Learning materials are highly variable in quality and do not bridge the gap between the syllabus and exams.
The qualification does not fully meet IES 5 (practical experience). Work experience is gained largely after examinations and does not therefore reinforce tuition, learning and examination outcomes.
The brand and marketing of the qualification receive insufficient attention vis-à-vis competitor products.

The future success of the NBAA requires that it attracts the best and brightest students to its professional qualification.

To support the NBAA in strengthening its professional qualification, ICAEW has created

1 A near complete draft of a new competence-based syllabus for implementation in 2013.

2 An enhanced syllabus framework with a final integrated case study for 2016.

Both syllabuses need to be reviewed and populated with local requirements where appropriate by the NBAA.

ICAEW has identified recommendations to strengthen the NBAA:

	Recommendations
1	**Introduce proposed new competence-based syllabus** *Approve Stages I and II of the new syllabus and define roadmap for its implementation.*
2	**Liberalise examination procedures and rules** *Allow students to take subjects in a sequence to allow progression. Apply the 'pass one keep one' rule.*
3	**Enhance examination procedures and rules** *Strengthen the overall examination regime and benchmark exams against learning materials.*
4	**Revise pathways to entry (credits prior learning)** *Revise the NBAA exemption rules and implement a more robust approach to institutional accreditation.*
5	**Improve teaching and learning provision** *Strengthen NBAA's oversight and quality control of all of tuition providers.*
6	**Improve teaching and learning materials** *Select a partner to produce learning materials and ensure these are produced to match the new syllabus.*
7	**Enhance the practical experience regime to satisfy IFAC IES** *Take logical steps to strengthen the work experience requirements to support the examination learning.*
8	**Integrate public and private sector in the new syllabus** *Reflect public and private sector employer requirements in the new syllabus.*
9	**Strengthen the brand and marketing of the NBAA and its professional qualification** *Plan a marketing campaign to strengthen the NBAA brand and actively promote the new qualification.*

Taken together these changes will create a higher quality population supported by a more effective teaching and learning process with enhanced work based learning.

1 Introduction

The vision is for NBAA, set out in the current NBAA Strategic Plan, is to become a world class professional accountancy body that serves the interests of its stakeholders and protects the public interest.

The NBAA professional syllabus is a key component in making this happen and in the related goal of making the NBAA the professional accountancy organisation of first choice.

Our recommendations provide a framework for further development of the NBAA professional syllabus for the development of teaching and learning and support development of work based learning and work experience requirements.

1.1 Background to this review

The NBAA has stated in its Strategic Plan the *'The Board is ever conscious that future success depends not just on past achievements but on the goals and strategies set to address the opportunities and challenges ahead.* The Strategic Plan also states that '*To maintain its pre-eminent position, NBAA must attract the best and brightest students through its professional qualification'*.

The current syllabus of the CPA was introduced to the classroom in early 2008 and examination under the new structure commenced in May 2008. The Board recognizes that a further review is now due, so that the CPA is revised in line with other international comparators and developments.

The lead times for such reforms can be expected to be at least 15-18 months. Assuming work on the new syllabus and curriculum commences in July 2012 and is accompanied by agreement on the wider set of reforms, there should be time for teaching the new syllabus to commence in April 2013, with the first examinations being held in November 2013.

As a key new part of the revised CPA, the Board recommends the development of learning materials to accompany teaching of the new syllabus. This will enhance the learning experience for students, closing the gap between learning and examination. Other steps are required to strengthen the monitoring and licensing regime for tuition providers, raising the overall quality in line with international comparators and benchmarks.

This report has been prepared as part of a joint project between NBAA and ICAEW, under a contract made possible by the Bank of Tanzania and World Bank. The recommendations are guided by the overall goal of making the NBAA professional qualification competitive in all respects with the professional qualifications of international comparators.

1.2 Information sources used

The NBAA has undertaken impressive analysis in the recent past and as part of its ongoing reporting on each examination sitting. Much of this analysis provided a foundation for us along with evidence obtained from stakeholder meetings, observation and discussions during our visits to Tanzania.

The most important specific evidence that has supported our work includes:

- Recent consultation input and initial findings, obtained in the initial stages of the joint project with ICAEW.

- The two volumes of the NBAA Survey of the Teaching and Learning Environment in Preparing Candidates for the Boards Examinations of March 2010.
- Consultation with key stakeholders following our visit in January 2012.
- The NBAA Professional Examination Syllabus booklet.
- The NBAA booklets of questions and answers for the May 2011 examinations.
- The NBAA Examiners and Performance Report of May 2011.
- Responses to our Preliminary Information Requirements questionnaire.

We express our thanks to all who have directly or indirectly provided data, information and insight.

This report, while taking account of previous reviews and information, has sought to provide a fresh and comprehensive view of the key challenges faced by NBAA and the way forward. We have used published syllabus of ICAEW and other representative comparators and also conducted benchmarking against IFAC education requirements.

We recognise that no review can ever be exhaustive and that we may not always have fully understood all the local issues, interpreted matters perfectly or identified all matters of detail.

2 Headline observations and findings

From our review we have identified the most important areas of the NBAA professional qualification and present key findings as follows:

	Headline observations and findings	
1	**Syllabus and assessments**	
	A	The current syllabus lacks an articulated vision of an NBAA professional accountant.
	B	Many of the current students find the current syllabus and assessments challenging.
	C	The current syllabus is a statement of content rather than required competences.
	D	The syllabus lacks progression and is heavy with papers relative to international comparators.
	E	The current assessments lack the use of business scenarios to measure knowledge and skills.
	F	Some core examination topics are not examined with sufficient regularity.
	G	There is concern that exam questions fall short sometimes in reflecting syllabus weightings.
2	**Examination procedures and rules**	
	A	Modules and papers are taken in sequence and all papers in a module must be sat.
	B	The rules require students to pass two exams before they can keep one.
3	**Examination and assessment process**	
	A	The current process is robust and clear.
	B	The practice of assembling exams from a bank of questions rather than from a single examiner creates inconsistencies.
4	**Pathways to entry (credits for prior learning)**	
	A	The process for accrediting institutions for examination exemptions is light in touch.
	B	This creates too big a gap at times and contributes to low pass rates in examinations.
5	**Teaching and learning provision**	
	A	The teaching and learning process for students is variable in quality.
	B	The NBAA recognises the need for improved teaching and learning provision.
6	**Teaching and learning materials**	
	A	Teaching and learning materials are variable in quality and are not specifically geared to the NBAA exams.
	B	The adoption of a new syllabus provides an opportunity to create new teaching and learning materials that are fully integrated with it.
7	**IFAC requirements for IES 1-5**	
	A	Current work experience meets basic IFAC requirements, but doesn't create close collaboration between the NBAA, mentors and students in creating workplace learning that supports examination learning.
	B	Current syllabus does not fully embrace the communication and professional skills requirements of IFAC.
8	**Public and private sector integration**	
	A	Coverage of public and private sectors in syllabus is an essential requirement in Tanzania.
	B	NBAA is currently integrating public and private sector elements into the qualification programme.
9	**The brand and marketing of the NBAA and its professional qualification**	
	A	The NBAA brand could be enhanced to attract the best and brightest students.
	B	The qualification is inadequately marketed.

2.1 Syllabus and assessments

2.1.1 Curriculum objective

We believe that it is important to have a clear overall objective in terms of what a professional accountant should be. Currently, there is no overall specifically stated objective for the education of NBAA accounting professionals.

We believe that the articulation of such an objective creates a vision of what the NBAA would like to achieve from its new professional syllabus.

2.1.2 The current syllabus

We recognise that the current professional syllabus has served well, despite the low pass rates in final examinations. During stakeholder discussions almost every NBAA member emphasised that quality standards must not be lowered to achieve improvements in pass rates.

The syllabus is, at a point, in its life cycle. However, where it needs to be considered, challenged and refreshed.

The syllabus content and articulation is one key driver of the approaches used and, therefore, the effectiveness of teaching and learning.

The teaching and learning model that NBAA syllabus currently supports includes provision of full-time education from institutions that enable students to gain exemptions from the Foundation and Intermediate stages of the Professional qualification. Such institutions educate a large proportion of undergraduates who then pass on after graduation to take their NBAA Final Stage examinations.

The NBAA professional examinations at Foundation and Intermediate stage are only taken by around 100 candidates at each sitting.

The Final Stage Module E exams are taken, including candidates retaking exams, by around 2,000 candidates. The Final Stage Module F exams are only sat by around 800 candidates.

Both the Final Stage exams have pass rates around 20%. The lower level NBAA exams have pass rates around 40%. The Final Stage tuition is almost always undertaken using part-time classes, often evening classes supported by a few days of review classes.

Clearly, many candidates coming through the various exempting routes are falling short of the professional examination standards and many students are not coping with the current examinations purely based on teaching and learning from their part-time classes and diverse study materials.

We believe that the low pass rates are in part due to the scale, scope, content, specification and nature of the existing syllabus and related learning materials.

Based on our stakeholder discussions and other evidence, including our analysis of the current professional syllabus we now offer the following specific findings and observations:

General observations on syllabus

1	**Student population**	The current pass rates around 20% at the final professional level reflect the qualities of the existing population, their motivations and the teaching and learning they have been exposed to such that although some are clearly high achievers many find professional assessment challenging.
2	**Business context and skills**	Some stakeholders identified that students were lacking in business context analytical and synthetic skills in dealing with scenario type problems since they come from or drive forward a culture of rote learning of facts.
3	**Numeracy and literacy**	Many stakeholders expressed concerns that many of the current population of students faced significant challenges in the numeracy and literacy requirements arising out of the current syllabus and assessments. The literacy issue being a combination of language and professional expression abilities.
4	**Learning materials**	Many stakeholders expressed concern that the current learning materials are inconsistent in quality and coverage and are often piecemeal products rather than a comprehensive set of tailored teaching and learning materials accessible and accessed by all.
5	**Syllabus states content not competences**	Currently the professional syllabus is more a statement of subject content and does not necessarily describe competences that should be achieved. This means that its implementation sometimes results in a teaching and learning approach and subsequent assessment that is, perhaps, based more on knowledge, less on skills and professional judgement.
6	**Syllabus more academic than professional**	The contents of the current professional syllabus and the related exam papers generally appear to be more academic than professional or practical with a greater focus on students explaining knowledge and performing calculations rather than higher level skills and application.
7	**Syllabus load**	The existing professional syllabus has a very comprehensive feel but with a somewhat 'boiler-plate' approach to subject inclusion. Subjects such as Economics, Business Maths and Statistics, Business Information Systems Management, Research Consultancy and Reporting, Entrepreneurship and also Contemporary Issues in Accounting may seem desirable but do not necessarily represent core competences of a finance professional. This also represents a heavy load in terms of learning content.
8	**Syllabus progression**	The current professional syllabus consists of three stages, Foundation Modules A and B, Intermediate Modules C and D, and Final Modules E and F. The three stages do not describe themselves in terms of levels of achievement and do not articulate a clear, logical and seamless progression through phases of, for example, knowledge, skills and professional competences.
9	**Syllabus progression gaps**	The current syllabus has some subjects that are dealt with in a progression such as Financial Accounting into Financial reporting I and II, Cost Accounting into Management Accounting and Control, and Audit Theory and Practice into Auditing and Assurance Services. There are, however, significant time gaps between subject assessments that do not always allow for a smooth student learning process.
10	**Syllabus weightings**	Some stakeholders expressed concern that students felt a degree of uncertainty when taking Final Stage examinations since the balance of questions on an exam paper or series of exam papers did not necessarily match the weightings of topics in the syllabus.
11	**Syllabus mix**	The existing syllabus mixes written and computational papers well at each stage.
12	**Private and public sector coverage**	The existing syllabus provides essential coverage of both private and public sector content.

13	**Syllabus clarity**	The way in which the current syllabus is set out and narrated does not represent a simple coherent working guide with clarity for users and stakeholders.
14	**Inconsistency in stated objectives**	The use of subject descriptions, aims and separate subject objectives within the syllabus documentation do not appear consistent and their distinction is unclear.
15	**Learning outcomes not competences**	At present the syllabus presents subject learning outcomes and these may be better presented as competences required for each paper.
16	**Teaching and learning strategies**	The subject teaching and learning strategies are lists and a token effort lacking in substance and usefulness.
17	**IFAC requirements**	The current syllabus is compliant against IFAC requirements but is due for refreshment, reduction and re-expression.
18	**Large number of exam papers**	Overall the professional syllabus when compared to other professional bodies globally seems loaded with 20 papers when typically other bodies have around 14. This inconsistency creates too much content and may also concern students when choosing between professional bodies.

The findings and observations mentioned above led us to develop a syllabus proposal that provides a working document for subsequent debate and refinement. It is a draft of a competence-based syllabus that, we believe, addresses many of the issues above. The syllabus is presented in Annex 1 to this report.

2.1.3 The current assessments

The NBAA currently assesses students based on centrally-set unseen three hour examinations that are held twice a year in November and May.

Students who attend an approved institution may receive exemptions from all, but the Final Modules E and F.

Several stakeholders expressed concerns that the standard of teaching and learning, the levels of assessment applied and the quality and qualities of the population of exempt students was falling below the professional requirement and may be contributing to the low pass rates. Overall, the pass rate at the Final Module level is around 20%.

A team of examiners are used to provide papers that are moderated by the NBAA. The papers created by examiners are generally broken down into questions that may be assembled by the NBAA to create an exam for a particular sitting. The examiners, who may also teach the NBAA students, are, therefore, not in a position to know the content of an exam paper in its entirety before it is sat. This may, however, give rise to inconsistent examination of core topics over time and to a lack of consistent adherence to syllabus weightings.

Examiners do meet periodically to discuss papers and approach. Examiners reports are produced after the marking is completed and results are determined and are available to support students.

Booklets of past exam papers with suggested solutions are published and sold to support students.

Examiners receive guidelines on the production of exam papers setting out regulations, requirements and the NBAA procedures.

Initially we focused our attention upon the assessments themselves being the exam papers and

solutions provided to us by the NBAA for all papers at the May 2011 sitting together with our stakeholder meetings and the previous analysis undertaken by the NBAA.

Overall, the exam papers clearly link to the existing syllabus content. There are many good questions that are, clearly, an appropriate test.

Our meeting with examiners showed a very committed and capable pool who articulated issues well and these were reflected in our syllabus findings and proposals.

General observations on assessments

1	**Business scenarios**	Business scenarios are rarely used to assess students' ability to deal with their knowledge and skills in context or to focus on analytical skills and ability to synthesise.
2	**Rote learning**	Many questions across all levels ask students to define, state or explain and require little more than rote learning with little need to explain in context.
3	**Techniques in context**	Techniques such as those used in mathematics or statistics are being examined as a technique but not in a business context.
4	**Progression issues**	Some questions from different levels appear to be assessing the same levels of knowledge with a lack of progression.
5	**Specialised and academic concepts**	Some questions focus on quite specialised and academic concepts that may come as a surprise to a student who cannot remember every page of suggested reading in detail no doubt leading to low marks from many.
6	**Use of verbs and progression**	The verbs used across levels and across the whole syllabus show a lack of progression between knowledge, skills and higher level professional competences.
7	**Suggested solutions**	Some suggested solutions do not answer the questions as set.
8	**Communication skills**	Many suggested solutions merely provide an answer and do not show evidence of communication skills.
9	**Core topics in exams**	Several stakeholders suggested that there was a lack of consistency in the nature of questions from sitting to sitting that made learning difficult for students. Core topics did not necessarily get examined with sufficient regularity.
10	**Wording of questions**	Some questions lack clarity and coherence such that the answer required is not clear based on a literal reading of the words requiring an educated guess as to required content in an answer.

Specific observations

We have not made specific observations on individual exam papers but would be happy to discuss such matters if required to enhance understanding of the observations above.

Although the observations above should be seen as matters that should be dealt with by the NBAA through required improvement steps it must be borne in mind that such development needs would emerge even in some of the best bodies around the world.

The current examination paper assessments have considerable strengths but as with the syllabus content from which they are derived they are more academic than practical, are not always totally clear in specification and requirement and are not sufficiently consistent in balance and in examining core competences with a focus on the knowledge, skills and application required of an accounting professional.

2.2 Examination procedures and rules

Currently NBAA students sit all papers within a module, each module consisting of three papers. Modules and papers are taken in sequence. If a student passes all three papers at one sitting they may move to the next module.

If a student fails one or two of the three papers they are referred in that paper or those two papers and may move to take prescribed papers in the next module but must pass the referred papers within a prescribed time otherwise the credit for a passed paper is lost.

This process of losing credit for a paper that has been passed is no longer used by other professional bodies around the world and can be viewed as harsh and unnecessary.

Generally in other bodies a pass one keep one principle is applied.

2.3 Examination and assessment processes

The NBAA has a detailed and well laid out process for its examining process, including setting, compiling exam papers, moderation of papers, marking, moderation of scripts and final results determination and communication.

This process is robust and clear, although it does require considerable resources.

However, as stated earlier in relation to assessments the practice of creating exam papers from a bank of questions rather than from a single examiner may create inconsistencies over time and against the balance of weightings in a syllabus.

2.4 Pathways to entry

2.4.1 Exempting programmes from the NBAA examinations

Currently the NBAA has an approval process to accredit institutions that operate exempting programmes from NBAA examinations.

This process is relatively light touch and the NBAA does not impose its own syllabus requirements and assessment requirements with rigidly enforced standards.

We believe, based on our stakeholder discussions and analysis undertaken by the NBAA that this light touch may be contributing to a significant gap between the capabilities developed by many students coming through exempting routes and those capabilities required in the NBAA Final Stage examinations.

2.4.2 Pathways to entry from other professional bodies recognised by IFAC

Currently the NBAA considers exemptions on a subject-by-subject basis for part-qualified affiliates of other professional bodies recognised by IFAC but only gives exemptions from the Final Stage if all examination requirements of that body have been completed.

This pathway does not consider work experience requirements.

Applicants are not allowed to practice as NBAA members unless they have passed the Business Law and Public Finance and Taxation papers. Again, there are no work experience requirements.

2.5 Teaching and learning provision

Students taking NBAA examinations pass through a number of different routes and the population is a complex mix of different capabilities with different motivations.

Students working with professional firms, larger companies and those engaged in the public sector get more support from their supervisors and from training and development programmes provided by their employers. Some get access to quality learning materials and texts or on-line technical support provided by their employers.

Many students take degree courses leading to exemptions from in some cases all but the Final Stage examinations.

Students taking the NBAA examinations are exposed to a variety of classroom-based teaching products. Evening classes are common. Much of the training provision is provided from the private sector tutorial companies. Classes may be very large with hundreds being lectured to both in the private and public sector provision. Discussion with stakeholders revealed very committed and very capable teachers but many expressed the view that quality was patchy in some sectors.

The NBAA has sponsored the writing of a few texts but the main recommended texts for NBAA examinations are traditional text books including renowned texts in accounting, costing and auditing. Such texts can be dated. Some students will be using texts written for the examinations of other bodies produced by independent private sector bodies. These texts and the questions within them do not match the style and content of the NBAA assessments.

It was clear from discussions with stakeholders that many students take up accountancy without realising the required professional standards for examinations set by the NBAA.

Many students are both working and studying and that makes attendance at classes hard and makes it difficult to complete structured homework and revision. Economic and other pressures mean that many students have poor or out of date or shared learning materials supported by lecturer's notes of variable quality.

The NBAA has already recognised the need for improved approaches to teaching and learning and stakeholders clearly understood the challenges of teaching and learning with the current large diverse population of students.

We believe that the syllabus and assessment changes we are recommending supported by the development of new teaching and learning materials will help the capable stakeholders we met during our visits to Tanzania to move from analysis of the issues to developing solutions.

Some stakeholder discussions suggested the development of the NBAA dedicated school for teaching with IT and other facilities for student learning. This idea is worth considering. The Institute of Chartered Accountants in Scotland (ICAS) provides some exam training this way. It is, however, a substantial undertaking and for many bodies more rigorous accreditation of private and public sector bodies provides a lower cost and lower risk solution.

2.6 Teaching and learning materials

The NBAA does not have its own comprehensive set of learning materials tailored to its own syllabus that reflects the weightings of its syllabus. Such materials can provide an essential framework for examiners, teachers and learners.

Having control over the teaching and learning materials used by students can enable the NBAA to ensure consistency between what students have been taught, what they have learned and the content and coverage of assessments.

When compared to other accounting bodies as regards teaching and learning materials, the NBAA has a disadvantage, and this is well illustrated by considering the position of students sitting for examinations of other global comparators.

In many countries a motivated student with sufficient cash who pursues professional qualification with a global professional body can choose from a range of approved learning partners and purchase a comprehensive specially written and up-to-date study text, supported by brief key notes for revision and a question bank of updated past examination questions and a mock exam. Full-time, evening and weekend courses will be available with focused lecturer notes and sometimes on-line support, all tailored to the requirements of the exam syllabus and the next examination sitting. Some potential NBAA students will see the benefit of the structured support available to students of NBAA international competitors and may be attracted by what appear to be higher pass rates and more consistent and predictable examinations.

NBAA international comparators have their examiners to review the learning materials that are subject to a degree of quality control regarding their content. Whilst these examiners often check proposed questions against learning materials there is still variation in coverage and content in the materials used by different tuition firms and, therefore, some students may still feel a little unprepared for certain questions.

ICAEW students all receive the same basic ICAEW learning materials supplemented by additional materials fully integrated to the official publications but provided by private training companies. These materials are used by examiners who systematically check all proposed questions against syllabus grids and content of study materials to ensure that whilst the context and problem may change students have had the opportunity to gain the required knowledge and skills. ICAEW works closely with the small number of tuition providers who teach for ICAEW exams. These factors contribute to higher and more consistent pass rates.

With a new syllabus being proposed to the NBAA has an opportunity to develop new learning materials that are more specifically geared to the NBAA exams.

To create a complete set of texts, notes, mock exams and question banks is, however, a major task that takes time and can be expensive. Some major professional bodies have failed when they have tried to do this for themselves at considerable financial cost.

Global international comparators with their strong professional qualifications can rely on the private sector to be motivated to produce such materials and with their approval and accreditation system they can enhance its quality and fitness for purpose and charge a not inconsiderable fee for approval. These bodies receive fixed income from its approved publishers.

With the current numbers of students taking the NBAA examinations the creation of new materials is only economic at the Final Stage where there are 2,000 students. Where only 100 students are

sitting earlier examinations it cannot be economic unless the learning materials are adopted for use within institutions running exempting examinations.

Local economic considerations are important where many students either do not have adequate funds or make other choices such that they do not buy materials that are available.

The new syllabus that is being proposed by us has, however, been developed with a variety of approaches to use of and development of learning materials in mind.

Clearly, careful thought has to be given to exam paper exemption policy since when exemptions are given the NBAA reduces its pool of candidates with obvious implications for commercial sale of materials.

Possible approaches to consider are:

(a) Development of a complete set of the NBAA learning materials.

(b) Wholesale adoption of learning materials such as those used by other professional bodes.

(c) Cherry-picking learning materials form a range of sources and negotiating deals to tailor materials to local requirements or using a tender process.

(d) Continuing with a piecemeal approach of reading lists and a variety of materials from local providers.

(e) Use of open-source on-line materials.

These approaches are discussed in presenting our recommendations.

2.7 IFAC requirements for IES 1, 2, 3, 4 and 5

From our review it is clear that the NBAA is currently compliant in principle with the following IFAC IES requirements:

(a) IES 1: Entry Requirements to a Program of Professional Accounting Education.

(b) IES 2: Content of Professional Accounting Education Programs.

(c) IES 3: Professional Skills and General Education.

(d) IES 4: Professional Values, Ethics and Attitudes.

However, the NBAA does not, given the very limited work experience requirements and their timing, fully meet the principles of:

(e) IES 5: Practical Experience Requirements.

Currently approved practical training is undertaken after successfully completing all applicable NBAA examinations when a successful candidate is awarded a Certificate of Completion of the Certified Public Accountant and designated CPA (T).

To become a professional member an additional three years of relevant practical experience is required under the supervision of an approved NBAA member as mentor.

A work experience log is maintained and submitted to gain final membership. The balance of experience is assessed by the NBAA Membership Committee who alone may give consent for approval for membership to the Governing Board.

We did not assess this process in detail. It appears strong on approval but perhaps insufficiently

transparent regarding workplace learning content.

It may also be that refreshment is needed to fully embrace the spirit of IES 4 as regards ethical development.

The current work experience that is gained largely after completing examinations does not clearly demonstrate transparent collaboration between the NBAA, workplace mentors and students to ensure a planned and reflective approach to gaining ethical, professional and technical competences through structured workplace learning,

The current rather academic knowledge based syllabus may not fully embrace the communication and professional skills implied by IES 3.

2.8 Public and private sector integration in the curriculum

In our discussions with stakeholders it was clear that nearly all stakeholders supported the inclusion of both public and private sector integration in the curriculum as an essential characteristic of the NBAA qualification.

The NBAA members work in both sectors and there is a high degree of movement between both sectors. They are involved in assurance and consultancy work that crosses between the two.

Students need to appreciate the specific issues and regulations that characterise each sector with respect to governance, management, regulation, accounting, reporting, risk management, internal control and assurance.

2.9 The brand and marketing of the NBAA and its professional qualification

The current NBAA Strategic Plan emphasises that NBAA, as the national body responsible for guiding the profession, needs to be recognised by all of its key constituencies as the body of first choice.

Where bodies do not actively work to raise their brand and profile in the wider public domain there is a danger that they lose market position through some students being attracted by another brand. This could lead to NBAA losing some of the best and brightest students to a competitor. More could be done by NBAA to promote the benefits of the CPA with employers in all sectors and students in all key tertiary institutions.

3 Recommendations

The following table summarises key recommendations for the NBAA with regard to its professional qualification:

Recommendations	
1	**Introduce proposed new competence-based syllabus**
	A Progress the proposed new syllabus through NBAA governance and committee processes.
	B Approve stage I of new syllabus, including final subject purpose statements and local requirements for implementation in Nov 2013.
	C Approve in principle the outline of stage II of new syllabus with case study that provides framework for developing changes in Nov 2016.
	D Plan and implement a detailed schedule of launch activities for the new syllabus.
2	**Liberalise examination procedures and rules**
	A Allow syllabus subjects to be taken in various sequences that support progression.
	B Students who pass an exam should keep that pass under a *pass one keep one* rule.
3	**Enhance examination and assessment processes**
	A Appoint a responsible person to be in charge of each level of new exam regime.
	B Appoint a single moderator and examiner to be responsible for each paper.
	C Create pilot set of papers within the new syllabus and run trial assessments.
	D Benchmark exam questions and the balance of papers against content of learning materials.
	E Increase the pass mark from the current 40% to 50%.
4	**Revise pathways to entry (credits for prior learning)**
	A Implement a more robust approach to institutional accreditation.
	B Revise the NBAA exemption rules.
5	**Improve teaching and learning provision**
	A Strengthen the oversight regime of all tuition providers.
	B Strengthen quality control review of all tuition providers.
6	**Enhance teaching and learning materials**
	A Select a partner to provide learning materials that are tailored to the new syllabus.
	B Oversee the learning material development and publication to support the launch of the syllabus.
7	**Enhance the practical experience regime to satisfy IFAC's IES**
	A Strengthen the work experience requirements and link those to new syllabus.
8	**Integrate public and private sector in new syllabus**
	A Include public and private sector requirements into new syllabus.
9	**Strengthen the brand and marketing of the NBAA and its professional qualification**
	A Develop a brand strengthening and marketing campaign to appeal to potential students.
	B Take measures to further improve the competitive positioning of the NBAA.
	C Take measures to put the services for students and members online.

3.1 Syllabus changes

3.1.1 Curriculum objective

On the basis of our discussions with stakeholders and our other sources of evidence we propose for discussion the following as an appropriate objective:

> *'A rounded business professional capable of contributing value in business management and a professional accountant with core values that enable him to act in the public interest as well as that of his client or employer and possessing competences that are the higher value technical knowledge and skills enabling the professional judgment expected of a finance professional.'*

We believe that the articulation of such an objective creates a vision of what the NBAA would like to achieve from its new professional syllabus. This objective also supports the main NBAA vision stated in its Strategic Plan.

The objective above clearly builds on the quality that the NBAA has developed in the past and provides a pathway for future development. It was clear in all our stakeholder discussions that NBAA members strive to retain their quality standards built up over many years.

An education programme that achieves the vision above also includes achievement of international recognition based on a syllabus that is best of breed globally.

The curriculum objective provides a basis against which to consider the validity of all syllabus content. The curriculum objective requires debate, comment and possibly amendment and can then become owned by the NBAA.

3.1.2 Draft syllabus

1 **Introduce proposed new competence-based syllabus**

- A Progress the proposed new syllabus through NBAA governance and committee processes.
- B Approve stage I of new syllabus, including final subject purpose statements and local requirements for implementation in Nov 2013.
- C Approve in principle the outline of stage II of new syllabus with case study that provides framework for developing changes in Nov 2016.
- D Plan and implement a detailed schedule of launch activities for the new syllabus.

The findings and observations above led us to develop a syllabus proposal that provides a working document for subsequent debate and refinement. It is a draft of a competence-based syllabus that we believe addresses many of the issues above.

Our syllabus proposal is structured into two stages, stages that together represent a coherent long term strategy of change to meet the overall NBAA vision.

Stage one takes the current syllabus and delivers as a practical and achievable first step an approach that takes account of the findings we have made. The stage one syllabus has been presented in considerable detail and represents a nearly complete product. The NBAA will have to populate locally specific content and more detailed aspects of exam regulations. The stage one syllabus takes the current syllabus and enhances it into a more tightly specified and logically

progressive competence-based approach. It also reduces the number of assessments to 14.

We recommend that the stage one syllabus is adopted for the November 2013 exam sitting.

Stage two is presented as a framework only and the detail can then be fleshed out by the NBAA in the light of experience with the stage one syllabus.

We recommend that the stage two syllabus is implemented for the November 2016 exam sitting.

The stage two syllabus framework recommends extension of the competence levels enhancing the level of assessment and, in particular, the inclusion of more professional expression as a requirement. The stage two syllabus is capped with a final integrated case study paper. The stage two syllabus is consistent with the products of the best accountancy professional bodies worldwide.

We believe it is best to take an evolutionary approach rather than a revolutionary approach that gives time for stakeholders to appreciate the changes within stage one and for teaching institutions to respond, for some changes to take place in the student population and for teaching and learning materials and other support to develop.

The two stages are effectively distinguished:

- **Stage one** is competence-based taking basic knowledge and skills at the first level into knowledge, and skills in context at the second level, and into professional analysis, application and evaluation at the final level. The draft stage one syllabus document is attached in Annex 1.
- **Stage two** is taking the competences to a higher level with again a basic knowledge and skills level but moving to an enhanced second level of skills, analysis and communication in context. The final level becomes the professional analysis, application, evaluation, advisory and communication level. The draft stage two syllabus document is also attached as Annex 1 to this report and provides a framework for future development by the NBAA. This would take place after using the stage one syllabus for three years. It will need detailed specification and populating in the light of experience with the stage one syllabus.

Stage One syllabus document content

1 The syllabus overview

The intention of the syllabus overview in the syllabus document is to set out overall objectives and aims, the key objectives are:

- Supporting the vision of the overall curriculum objective.
- Making the new syllabus an evolution from the current syllabus.
- Allowing for both private and public sector work experience.
- Supporting teaching and learning in full-time and part-time environments and in institutions aiming to achieve exemption from NBAA exams.
- Building a progressive development of core competences across the syllabus levels.
- Making the syllabus at stage one a basis for further strategic development in stage two.

The overview will require refinement and rewording to make it totally relevant to users prior to publication.

2 The syllabus levels

The three syllabus levels are set out in the syllabus document with an explanation of the competence levels that provide the learning outcomes. This is a shift away from the current syllabus to one that clearly has levels that enhance competences through to the final professional level. The three levels are:

- Knowledge and skills level
- Skills and analysis in context level
- Professional analysis, application and evaluation level

These are explained in more detail in the syllabus document.

3 The syllabus components

Fifteen syllabus components or exam papers are proposed at three competence levels:

The syllabus components

Knowledge and skills level	Skills and analysis in context level	Professional analysis, application and evaluation level
▪ Quantitative techniques ▪ Business and management ▪ Accounting ▪ Business information ▪ Business law	▪ Financial management ▪ Financial accounting ▪ Auditing principles and practice ▪ Tax and public finance ▪ Performance management ▪ Management, governance and ethics	▪ Reporting ▪ Assurance ▪ Business and corporate finance ▪ Finance and taxation

The intention of the syllabus components is that they are a genuine progression from a degree level to a postgraduate level but always set in a professional framework that provides practical learning and then truly assesses professional competences.

The syllabus can be a basis for academic institutions to implement as an undergraduate programme. We would, however, recommend that additional foundation skills be added to such pathways in economics, business maths and information technology. Such institutions may also be able to make use of business case studies alongside the core syllabus components to enhance business understanding, business analysis and with written report based assignments to develop English writing skills and business style professional expression.

The core components should, however, include a significant element of assessment by fair but challenging unseen written examinations with equivalence to those being set by the NBAA if they are to become exempting elements from NBAA examinations. The extent of exemptions given will clearly generate considerable debate.

Taking a robust line would suggest that exemptions should only be given from the first level. This would give the NBAA greater control over the quality of accounting education. On this basis academic institutions could develop some of the second level syllabus elements as preparatory study modules with less rigorous professional content and broader softer educational approaches. Whilst students and institutions may wish to receive significant exemptions this has to be balanced against using the opportunity of an academic environment to develop understanding and skills before entering the technically demanding professional environment.

This would mean that the NBAA would be assessing larger numbers of students across a larger number of exam papers. There are resource implications arising from this.

Currently the NBAA has larger numbers across six Final Stage papers. Under our proposal the NBAA would have larger numbers across ten exam papers.

Giving exemptions from second level syllabus components is attractive to academic institutions and to students but, in our opinion, should only be done where there is rigorous oversight of assessment standards within the institutions and where it can be confirmed that the NBAA syllabus outcomes have been achieved.

In our opinion exempting qualifications should not be seen as an easier route to a professional qualification they should be seen as an academic opportunity for personal development.

Exemptions are not appropriate at the final level.

The syllabus document sets out the detailed content and competence requirements in such a way that articulates clearly the knowledge, skills and professional competences required for those who examine, those who create learning materials and the students themselves as well as to inform stakeholders:

(a) The competences have been set out using a set of clear descriptors that relate to the nature, content and level of each syllabus component. The descriptors can provide a lead to examiners in selecting appropriate verbs for the requirements of questions.

(b) The competences are concerned with what a business finance professional or accountant actually does in his work.

(c) The articulation of the competences drives forward the content of teaching, learning materials and examination assessments. Being more tightly specified all stakeholders know what is expected of them.

The examples below are neither complete nor do the descriptors have to exclusively relate to one level only but are firmly indicative.

The table below represents the requirements for each level:

Requirements for candidates

Knowledge and skills level	Skills and analysis in context level	Professional analysis, application and evaluation level
▪ State ▪ Identify ▪ Record ▪ Compile ▪ Explain	▪ Draft ▪ Calculate ▪ Assess ▪ Compare ▪ Select ▪ Formulate ▪ Illustrate ▪ Identify the choice ▪ Draw conclusions ▪ Judge ▪ Evaluate ▪ Present ▪ Advise	▪ Report ▪ Evaluate and apply ▪ Analyse and evaluate ▪ Evaluate and communicate ▪ Develop proposals ▪ Develop plans ▪ Assess and advise on

The progression in requirements also has to be linked to increasing complexity in the data and

information that candidates will be provided with. At the lowest level questions in an exam will provide straightforward and structured data and information. At the next level questions will have straightforward but more complex data and information set in a more practical context. At the professional level there will be scenarios that are more professionally challenging asking for development of professional advice.

As experience of the stage one syllabus develops, these descriptors can further be explained, evolved and mapped to a grid that gives further guidance on the way in which knowledge, skills and professional competences progress throughout the qualification.

For academic institutions offering exempting pathways the competences need to be faithfully followed to achieve exemption.

Training to understand the competences and the implications for teaching and learning and assessment will be required for those providing teaching and developing learning materials as well as for examiners, moderators and markers.

Care will be required to set appropriate assessments to ensure that students cope with the required learning for the assessments whether working in an accounting environment or studying in an academic institution. It will be an evolutionary process rather than a big bang.

Care must also be taken to deal with students in the current population who are in a transitional phase of change from a more academically based syllabus and assessments to a competence-based approach. Assessments will not necessarily be more difficult but they will change in nature.

Mapping of papers in the current syllabus to the new syllabus will not be entirely straightforward. But should be done in order to determine how students progress from the old to the new syllabus at stage one. The test of whether students receive the right credit against new papers in a transitional period has to meet tests of fairness and reasonableness. Some professional bodies parallel run some old and new syllabus papers and this might be considered. Such detailed considerations must be decided quickly but are beyond the scope of this report.

Teachers, teaching and learning materials must change to support students through the proposed changes.

Many stakeholders expressed a view that pass rates should improve with a more clearly specified syllabus and more consistent assessments.

Stage Two syllabus document

1 **Syllabus overview changes** - these will be refinements that emerge from experience with the stage one syllabus.

2 **Syllabus level changes** - these are changes that will take place to redefine the competences to a higher level to fully benchmark against best practice.

3 **Syllabus component changes** - these are more pragmatic issues and should have the aim of ensuring appropriate balance, progression and volume and can be used to embrace emerging issues in the global and Tanzanian environment.

In the stage two syllabus we propose the creation of an additional final level paper being a final qualifying integrated paper or case study.

The form and content of this paper can be developed as experience is gained in examining,

moderating and marking the new competence-based assessments used in the stage one syllabus.

At this stage we envisage an integrated case study assessment that is open book and of, say, three and one half hours duration. This would give time for candidates to carefully read and assimilate the information presented and to undertake analysis and think through their evaluations and conclusions. Candidates would be given a substantial scenario that contains business, financial reporting, taxation and financing issues. Assessment would be based mainly on their ability to analyse, synthesise, advise and communicate in a report to a client or employer.

Such assessments require considerable planning and need a team of qualified professionals with broad based experience to develop real world based scenarios.

As stated earlier this may be implemented in November 2016 giving ample time for planning, piloting, testing and implementation including stakeholder communication.

Care must be taken not to make such an assessment too technical in content and caution is advisable in building scenarios that are not unreasonably long.

The context of each assessment over time should be different but each paper should have a familiar requirement of creating a report with supporting appendices containing analysis. Core analytical skills should be tested with a limited range of strategic analysis models, financial analysis techniques, financial management tools, performance measurement methods being focused upon with pure detailed knowledge testing being avoided in areas such as law, taxation, assurance and reporting.

It may be advisable not to add additional technical content beyond the stage one syllabus but to use the integrated assessment to develop additional professional skills.

3.1.3 Assessment proposals

Achieving assessments consistent with the proposed stage one and stage two syllabuses that we have recommended requires a considerable and well-focused effort.

We believe that many of the stakeholders we met have the capability to achieve this but will require training and support as a process of change.

There are also some fundamental considerations that need to be made regarding the form of assessments and ultimately the use of technology.

Objective testing

The use of objective testing is always an attractive proposition to test knowledge and some of the more basic skills at the lower levels. Objective testing requires candidates to select an option or several options based on their assessment of definitions or explanations, the performance of calculations or analysis or reasoning. Once sufficiently large question banks are in place with adequate security processes and a mechanism to update content then it can be a cost effective approach to examining large numbers of candidates quickly and with a rapid communication of their result. The systems may allow traditional paper based exam sittings on a periodic basis or computer based exams on demand at approved and controlled exam centres with identity and other controls in place.

Objective testing can enable considerable syllabus coverage to be achieved in a single examination.

Objective testing on demand where students go on-line at any time to take exams can, however, lead to re-sitting to scrape a pass rather than achieving underlying learning objectives.

Where candidates have language and expression challenges, the use of objective testing may mask this lack of capability at an early stage leaving greater challenges for students at higher levels.

Objective testing may also create an approach that develops a set of skills to answer specific questions but without a more complete capability to compile comprehensive complete financial, operating or written reports. Such objective testing assessments at an early stage may create a skills gap that may become evident at later stages.

We would recommend only limited use of objective testing and then only within traditional paper based exams to extend syllabus coverage at the knowledge level. This will in our view avoid some of the problems referred to above.

Use of extensive objective testing at the lower levels of examinations may create discontinuity issues with competence assessment and may lead to differentials in pass rates as students move up to more challenging assessment methods.

With only limited use of objective testing, if any, at the lowest levels of assessment we recommend that the NBAA develops paper based pilot papers and subsequent exams that truly reflect the content and competences articulated in each syllabus element.

The nature of questions used in assessments

Questions at the knowledge and skills level are most likely to provide students with information and relatively simple limited scenario content that they can use as a basis to calculate, compile and prepare specific requirements or as a basis for stating and explaining their knowledge.

Questions at the skills and analysis in context level are most likely to provide students with relatively straightforward but realistic scenarios and supporting information asking them to prepare more technically complex outputs that are more focused on user requirements.

Questions at the professional analysis, application and evaluation level will almost always begin with a scenario that is more challenging in terms of its business complexity with requirements that will be reported to a third party or supervisor that require analysis, critical comment, evaluation of alternatives and effective articulation. Often requirements will allow for higher level skills of application and synthesis. Some requirements may contain issues that are not immediately apparent.

Developing suitable exams and questions

Research using exam papers from other professional accountancy bodies will help in elucidating the form and content of suitable assessments but should be treated with caution since the assessments to meet the requirements of the new stage one NBAA professional syllabus will not be the same. Some mature professional accounting bodies have already been through substantial and essential learning curves to reach their current approaches to assessment. Their approaches to assessment may also reflect a different student body, different access to learning materials and teaching and learning support and examiner experience.

In the light of our observations we believe that a training and development programme will be required to support examiners in their implementation of the new stage one syllabus and again at stage two.

Once the stage one syllabus has been agreed pilot papers will be required and the development and training programme needs to be linked to this.

The pilot papers will need to be supported by explanatory guides that link to the syllabus and, in particular, that explain the rationale behind the assessments at the three levels.

Although stage two is three years on from stage one it will be important to build a capability to raise the assessments to this new level. This will include recruiting and developing an examination team for a new integrated assessment. Examiners from the professional analysis, application and evaluation level may be ideal candidates.

Our specific assessment recommendations are embodied within our proposed stage one and stage two syllabus recommendations.

After much consideration we recommend that all exam papers are retained as three hour unseen written exams, perhaps as we have stated with limited objective testing content at the knowledge and skills level.

We did give much consideration and were close to recommending that the professional analysis, application and evaluation level be an open book examination. However, given the current availability and access problems for many students this should be a consideration only upon implementation of the stage two syllabus. It may also be that the approach has to be developed in two stages using stated technical reference books such as those containing accounting and auditing standards before considering a totally open book approach. The student culture is probably too rooted in rote learning to make such a move immediately. In any event, the shifts towards on-line on demand content mean that many professionals do not have paper based texts.

Competence and assessment grid

Alongside the adoption of the new stage one syllabus and assessments we recommend the development of an examiner owned competence and assessment grid that articulates in an evolutionary way the knowledge, skills and professional competences coming from the syllabus and how these are reflected in assessments. This can allow for progressive improvement of competence specification, assessments and provide for a seamless transition to the stage two syllabus that enhances the competence-based approach.

This grid must be owned by the examiners as an examining team and will provide a basis to discuss the delineation of competence assessment at each level, in different papers and across the whole progression of the syllabus. ICAEW published grid is a long-term benchmark to achieve.

Pass rates and our proposals

The NBAA has conducted considerable analysis of the factors that may be the reasons behind the undoubtedly low pass rates at the Final Stage examinations.

Clearly, there is no single factor behind the low pass rates, nor even just a few factors that have a simple solution.

In fact, many of the issues are population related.

There are a group of high achievers who enter the accounting profession in Tanzania knowing what it is about and having both the capability and motivation to succeed and, therefore, to pass exams. Most of this group will have supportive employers, access to good learning materials, access to other materials and an enabling home environment. These students are key employees and the future partners and managers in the private and public sector.

There is, however, another group who really wish to become accountants who are maybe less capable, without such good support and may pass exams after a few attempts. They can be effective employees and become good professional accountants. They may be finding the current NBAA exam system and educational process insufficiently enabling.

There is then another group who, perhaps, see accountancy as a good job, or maybe their parents tell them it is, without knowing what being a professional accountant is really about. They see the exams as being like any qualification, a route to economic gain in a good job. Some will be capable, some will be marginal and some will be challenged. Many in this group don't realise how much work is required to pass exams. They don't see the benefit of consistent work, they don't see the need to attend all classes and attend on time and maybe they lack concentration in class and at home. Their previous exam success may have involved learning a few basics, some last minute rote learning and some question spotting or gentle guidance from those who set their assignments or assessments. They don't have a thirst to understand, but they do want to pass. Some of this group will pass or will pass after a few attempts but some will be unable for the variety of reasons mentioned to pass. Some go on to be successful in their jobs. Many in this group need a more supportive system if they are to pass.

Some of the population issues are related to communicating an understanding of what an accounting profession involves in such a way that potential students realise the challenge they may face. Giving the right advice to potential students and students is important. This is a professional role and a role for employers and colleges too. Marketing a quality brand also shows the expectations the profession has.

Where potential students may be challenged by their poor English, literacy or numeracy, it can sometimes be advisable to set up some self-assessment or testing of such skills. One of professional bodies has developed such tests that can be taken voluntarily on-line. Compulsory competence tests can be considered. Some employers do this as a quality filter.

Experience around in other bodies does, however, show that when a professional body creates an image of quality that this can be well supported by members and can send a message to the marketplace that reduces the number of candidates but improves quality.

Experience of other bodies also shows that a clear syllabus, with clear, consistent exams and integrated clear and supportive teaching and learning can with a smaller population deliver consistent and higher pass rates. This also helps build confidence in a system that is a system of education and development and not merely exam papers to be passed. Their studies and exams become part of what they see as the real world. This then creates a cycle of change that attracts other candidates who see the benefits of becoming a professional and a route to entry that is challenging but manageable. Good and well prepared candidates should be passing and the system should support their progressive development as business finance professionals.

We believe that our proposals support the achievement of higher pass rates and a more relevant education.

3.2 Liberalisation of examination procedures and rules

2	**Liberalise examination procedures and rules**
A	Allow syllabus subjects to be taken in various sequences that support progression.
B	Students who pass an exam should keep that pass under a *pass one keep one* rule.

Under our syllabus proposals the stage one syllabus is a progressive syllabus through three clear levels. We propose that:

- Students should take exam papers in the sequence as presented in our proposals.
- Students can take papers singly so that they can take exams at a slower pace if required.
- Students should take a maximum of four papers at any sitting.
- A *pass one keep one* approach to be adopted so that the current referral system is ended. This is a fairer system and should contribute to improved pass rates.

3.3 Enhancement of examination and assessment processes

3	**Enhance examination and assessment processes**
A	Appoint a responsible person to be in charge of each level of new exam regime.
B	Appoint a single moderator and examiner to be responsible for each paper.
C	Create pilot set of papers within the new syllabus and run trial assessments.
D	Benchmark exam questions and the balance of papers against content of learning materials.
E	Increase the pass mark from the current 40% to 50%.

As we have already stated in our findings that the NBAA has a detailed and well laid out process for its examining process, including setting, compiling exam papers, moderation of papers, marking, moderation of scripts and final results determination and communication.

We do not make specific recommendations to change this administrative process in the short-term apart from those previously stated regarding a move to level moderators, paper moderators and examiners under long-term contracts setting whole papers with a more strategic approach and the extended use of team-based examination board meetings.

As experience of the changes to the syllabus and assessments develops examiners and moderators may be able to run annual workshops for training providers to provide feedback and advice on teaching and learning.

Depending on the choice of approach in the development of new learning materials there may also be scope for more collaboration between examiners and those who create, develop and edit learning materials so that exam questions can be tested against the materials to ensure they are fresh and challenging but based on knowledge and skills within the materials. If the NBAA has materials tailored to its examinations then this can become a feasible circular process that raises standards of both assessments and learning materials.

We have noted that the current pass mark in examinations is stated at 40%. We recommend that this is set at 50% for the implementation of our recommended stage one syllabus and that consideration is given to raising this to 55% when our recommended stage two syllabus is implemented. This is not a radical move but taken in the context of the syllabus and assessment

changes is a seamless progression.

This would be more consistent with other accounting bodies internationally and would send a more positive signal to those who rely on the work of professional accountants.

It will be important to clearly set out for those involved in the examining process and for those involved in tuition and creation of learning materials the approach that is used in assessing each syllabus component or exam paper.

3.4 Pathways to entry

4	**Revise pathways to entry (credits for prior learning)**
A	Implement a more robust approach to institutional accreditation.
B	Revise the NBAA exemption rules.

3.4.1 Exempting programmes from the NBAA examinations

Our proposals are set out below as part of our overall proposals for teaching and learning under the heading institutional accreditation.

3.4.2 Other pathways

We make no proposals for immediate change.

3.5 Teaching and learning provision

5	**Improve teaching and learning provision**
A	Strengthen the oversight regime of all tuition providers.
B	Strengthen quality control review of all tuition providers.

3.5.1 Institutional accreditation

Currently the NBAA has an approval process to accredit institutions that operate exempting programmes from NBAA examinations.

This process is relatively light touch and the NBAA does not impose its own syllabus requirements and assessment requirements with rigidly enforced standards.

We believe, based on our stakeholder discussions and analysis undertaken by the NBAA that this light touch may be contributing to a gap between the capabilities developed by many students coming through exempting routes and those capabilities required in the NBAA Final Stage examinations.

We recommend a more robust approach is taken upon implementation of a new syllabus to ensure this gap is closed and that institutions follow the new NBAA syllabus and its competence levels.

We also refer back to our earlier recommendations that the extent of such exemptions may need to be reduced.

We see this as being in the interests of all parties concerned from economic, educational and professional stand points.

3.5.2 Oversight of providers

We believe that the adoption of our syllabus proposals provides an opportunity to implement enhanced oversight of all providers of learning for NBAA examinations.

A scheme of approved providers should be considered with quality control reviews in place building on the current approach.

3.6 Teaching and learning materials

6 **Enhance teaching and learning materials**

A	Select a partner to provide learning materials that are tailored to the new syllabus.
B	Oversee the learning material development and publication to support the launch of the syllabus.

The development of teaching and learning materials tailored to the new competence-based syllabus is, perhaps, the key to success with the new curriculum but, at the same time, the most challenging aspect of our recommendations.

The project to achieve this requires leadership, attention to detail, project management skills and a focus on objectives. Deferring a decision or ignoring the benefits due to the costs and challenges will threaten achievement of objectives.

This report offers our recommendations based on a consideration of alternatives but is not in itself a detailed cost benefit assessment nor a detailed blue print project plan.

The development of learning materials is also bound up with decisions on where to draw the line regarding examination exemptions.

With syllabus changes expected to take place for examinations taking place in November 2013 the lead time for development is short. We assume that students would begin studies for these exams in June 2013.

Whilst the decision must be viable it is important to recognise that if the decision does not emerge quickly then the time for creating the materials is compacted.

We have considered five potential options:

1 **Development of a complete set of the NBAA learning materials**

In an ideal world the writing of a complete set of materials that perfectly support the new syllabus is the best solution.

The materials can be totally specific to the syllabus and totally specific to Tanzanian laws, regulations and circumstances.

The NBAA can fully own these materials and develop them into the future so that they are always up to date.

However, this would require a dedicated team consisting of at least a project manager, IT support, a creative designer, a team of quality editors, a full team of specialist subject authors and a full team of

specialist subject editors. It also requires consist use of technology and secure central technology with security controls.

Finding the team can be difficult, expensive and requires considerable ongoing management effort to manage people, quality, processes and security.

The cost is very significant and the timescale to deliver for the end of May 2013 would be extremely tight but achievable but only with the right team in place and effective project control.

2 Wholesale adoption of learning materials such as those used by ICAEW, ACCA or another body

If contractual arrangements could be negotiated materials could be acquired directly from a private sector supplier of ACCA learning materials or from ICAEW.

In our opinion, such materials would not directly be fit for purpose given their specificity to their syllabus. A particular problem would be the differences in academic and practical content and the levels at which subjects are assessed.

3 Cherry-picking learning materials from a range of sources and negotiating deals to tailor materials to local requirements

Some private sector ACCA suppliers and ICAEW may be willing to sell or transfer rights of use for digital copies of their teaching and learning materials that could be tailored directly to the proposed new syllabus and local requirements.

Editing, checking and production is not easy and there needs to be an ongoing process to keep materials up to date and fresh.

Editing is far simpler than writing from scratch.

There is, however, also the possibility to outsource the work of tailoring materials to a suitable private sector provider giving a much simpler management solution. Such suppliers may be willing to become an exclusive publisher for the NBAA.

The project could be put out to tender with the winning publisher becoming the exclusive provider in Tanzania.

The volumes and price would have to be right both for the publisher and the price affordable to students.

There is, therefore, a requirement to develop a financial model and schedule for implementation along with a tender process and fair contract proposal.

In essence this is one of those decisions and one of those projects that despite the trials and tribulations of delivery becomes something that you may look back on wondering why it was not done before.

We would recommend this as the best solution. It can provide a modest income for the NBAA but this should be seen as a secondary objective.

4 Continuing with a piecemeal approach of reading lists and a variety of materials from local providers

This is not an option with a professional syllabus that is competence-based since suitable texts and other materials are rarely available and not up to date.

5 Use of open-source on-line materials

There are free open-source materials available but these lack specificity and this is not a realistic

option.

We recommend option three as the way forward for the NBAA. If a decision is made quickly and a project plan prepared then material could be in place by the end of May 2013. This project would require management commitment, involvement and oversight but is, in our view, a potentially attractive proposition for a publisher. The component materials that would be the basis of the required materials exist and can be tailored if the proposition is viable and workable. With a potential population of over 1,000 students taking perhaps ten papers under the new syllabus the potential revenues may be attractive.

ACCA materials sold at the competitive end of the market in the UK retail at around £25 for a study text and £15 for a question bank. At this stage we have not considered what would be an appropriate retail price in the Tanzanian market.

The upside and upbeat view must, however, be tempered by a cautionary reminder that the timescale is tight. It is also clear that the product has to be affordable and an essential buy for all students who take the examinations. We are not able to set out a detailed financial model without further analysis that would be outside the scope of this report. Further analysis of the affordability tests need to be undertaken. Once decisions have been taken regarding how many papers are taken within exempting institutions and how many are taken through the NBAA programme a financial model can be prepared.

If a tender process is used, selection can be based on innovation, quality and affordability considerations.

The best learning materials consist of a comprehensive bespoke study text and question bank. The best study texts contain punchy introductions, real world case study examples, embedded explanatory examples, diagrams, textual explanations, progressive worked examples and end of chapter quizzes and full questions with solutions and advice and are totally structured around the syllabus content. The best question banks are a mix of around fifty essential exam standard questions with solutions and embedded advice focused on future examinations. A mock exam is often provided. Many publishers also offer on-line tutor study guides, PowerPoint slides and additional questions and quizzes.

Such material has flexibility in use but an essential focus on exam requirements and can be built into a student centred learning approach with supportive study guidance.

This particularly supports marginal students and appeals to a variety of learning approaches.

3.7 Enhancement of work experience requirements to meet IFAC IES 5 principles

7	**Enhance the practical experience regime to satisfy IFAC IES**
A	Strengthen the work experience requirements and link those to new syllabus.

We were not able to undertake an in-depth review of the effectiveness of the work experience approval process.

We do, however, recommend enhancing the work experience requirements to create more active collaboration between the NBAA and mentors to build a more structured approach to workplace learning.

In this respect we recommend that consideration be given to taking an evolutionary approach to linking work experience and work based learning to the education and examination programme at least at the stage where students are no longer sitting examinations that gain exemptions from

accredited institutions.

Students would then be planning, undertaking and recording their work experience alongside their professional stage exams creating an understanding of the important input of real world experience into examinations and enabling exam based assessments to become more practical with a higher degree of professional judgment and expression.

This would be a step that could be planned for and piloted but implemented when our proposed stage two syllabus is implemented to support the final integrated examination and higher level competences included in the stage two syllabus.

The competences achieved in work experience could then be matched to competences in examinations and in particular to the proposed final integrated examination.

These links are a distinguishing characteristic of a professional qualification. This is also more consistent with the underlying spirit of IFAC educational standards.

3.8 Public and private sector integration in the curriculum

8	**Integrate public and private sector in new syllabus**
A	Include public and private sector requirements into new syllabus.

Our meetings with stakeholders provided us with a clear view that the NBAA curriculum should support those who work or intend to work in either or both of the public or private sectors. This is an essential part of how Tanzania functions and allows for choice after qualification, employment transferability and integrated knowledge for those in both sectors who need both perspectives.

There is always an inherent danger that this approach will burden the syllabus but we believe that we have achieved a satisfactory balance in our proposed syllabus.

Some of the most specialised aspects in both sectors can be developed as post qualification experience or CPD.

We are confident that our syllabus as proposed does not fall short in meeting knowledge, skills and higher level competences in either case.

3.9 Strengthening the brand and marketing of the NBAA and its professional qualification

9	**Strengthen the brand and marketing of the NBAA and its professional qualification**
A	Develop a brand strengthening and marketing campaign to appeal to potential students.
B	Take measures to further improve the competitive positioning of the NBAA.
C	Take measures to put the services for students and members online.

4 Roadmap

The key recommendations are set out below in an outline roadmap for delivering the new professional qualification.

	Deliverables	Timeline																	
		2012						2013											
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	**Introduce proposed new competence-based syllabus**																		
	A Progress the proposed new syllabus through NBAA governance and committee processes																		
	B Approve stage I of new syllabus, including final subject purpose statements and local requirements for implementation in Nov 2013																		
	C Approve in principle the outline of stage II of new syllabus with case study that provides framework for developing changes in Nov 2016																		
	D Plan and implement a detailed schedule of launch activities for the new syllabus																		
2	**Liberalise examination procedures and rules**																		
	A Allow syllabus subjects to be taken in various sequences that support progression																		
	B Students who pass an exam should keep that pass under a *pass one keep one* rule																		
3	**Enhance examination and assessment processes**																		
	A Appoint a responsible person to be in charge of each level of new exam regime																		
	B Appoint a single moderator and examiner to be responsible for each paper																		
	C Create pilot set of papers within the new syllabus and run trial assessments																		

	D	Benchmark exam questions and the balance of papers against content of learning materials
	E	Increase the pass mark from the current 40% to 50 %
4	**Revise pathways to entry (credits for prior learning)**	
	A	Implement a more robust approach to institutional accreditation
	B	Revise the NBAA exemption rules
5	**Improve teaching and learning provision**	
	A	Strengthen the oversight regime of all tuition providers
	B	Strengthen quality control review of all tuition providers
6	**Enhance teaching and learning materials**	
	A	Select a partner to provide learning materials that are tailored to the new syllabus
	B	Oversee the learning material development and publication to support the launch of the syllabus
7	**Enhance the practical experience regime to satisfy IFAC IES**	
	A	Strengthen the work experience requirements and link those to new syllabus
8	**Integrate public and private sector in new syllabus**	
	A	Include public and private sector requirements into new syllabus
9	**Strengthen the brand and marketing of the NBAA and its professional qualification**	
	A	Develop a brand strengthening and marketing campaign to appeal to potential students
	B	Take measures to further improve the competitive positioning of the NBAA
	C	Take measures to put the services for students and members online

Annex 1: Proposed Syllabus

The National Board of Accountants and Auditors in Tanzania
The National Accountancy Examination Scheme, Stage I
for examinations in November 2013

This is a draft for NBAA to consider and to populate with specific local requirements where necessary.

The taxation and public finance sections require specific review by local NBAA specialists.

Percentages of the balance of syllabus content have yet to be entered.

Technical knowledge lists need to be carefully reviewed to ensure they meet local requirements and may need to have levels put against knowledge such as auditing and accounting standards to guide examiners.

Specific matters for examination rules and process are to be created by the NBAA.

Final subject objectives to be entered once the syllabus content is agreed

The professional syllabus

1 Contents

This section to be completed by the NBAA in due course.

2 Overview

The new NBAA CPA syllabus aims to support the development of rounded business professionals capable of contributing real value in business management who are professional accountants with the core values that enable them to act in the public interest as well as the interest of their employer or client and the competences that include sound knowledge and the higher value technical skills expected of a finance professional.

The new syllabus is evolutionary building on the recognised professional reputation of current NBAA members and provides a platform for continuing improvement.

The syllabus is suited to those students currently gaining their work experience in either the public or private sectors and for those who wish to build their future in either sector.

The syllabus also has at the first two levels learning content that may be provided in a full-time learning environment.

The new syllabus develops knowledge, skills and higher level professional competences in a progressive way.

Whilst the syllabus is a platform for continuing development, two clear stages are currently proposed in a scheme of strategic development.

This is stage one and provides a transition from the existing syllabus to a progressive competence-based approach.

Stage two will provide a seamless transition to a leading edge internationally competitive high order professional qualification that is best of breed. A draft framework of the stage two syllabus is

available separately.

3 The syllabus levels

The new syllabus has three levels that may become known as the knowledge, skills and professional levels but are in reality representing a smooth progression rather than three distinct levels.

4 Knowledge and skills level

The Knowledge and Skills level provides a teaching and learning framework that contains manageable core content. The content is both numerical and written. The subjects can be taken in any order but the order given has a logical progression and mix of subject types.

The five subjects are shown in a table below:

1	**Quantitative techniques**	Accountants use a range of mathematical and statistical techniques in accounting, performance management, financial decision-making, risk analysis and financial management and this syllabus component provides a foundation of the knowledge and skills that will be applied in later studies. This syllabus component assesses the knowledge and skills in a business and accounting context.
2	**Business and management**	An understanding of the business environment, markets, financial markets, entities and organisations provides an underpinning for business professionals as managers and accountants. Business and management includes a basic understanding of the purpose and objectives of businesses and the issues of business ethics, governance, corporate social responsibility and sustainability. The business environment is seen globally, internationally and locally. The subject matter includes a basic introduction to business finance. The content also includes the basics of individual and organisational behaviour and human resource issues.
3	**Accounting**	Accounting is dealt with here primarily as a skill that supports the compilation of reliable financial accounts for sole traders, partnerships, companies and not for-profit entities. At this level accounting includes knowledge of the essential framework of assumptions that underpin reliable reporting.
4	**Business information**	Accountants play a vital role in management and management decision-making. Business information deals with the production of accurate and useful information to support management and decision-making including costing, management accounting and the application of quantitative methods in financial management. Business information takes an integrated approach by developing an awareness of information technology and systems support.
5	**Business law**	Business finance professionals are expected to have a sound foundation in law that is relevant to businesses and their operations. Professional accountants need a strong background in company law and law relevant to public sector entities. All business professionals also need knowledge of how laws affect them personally and in their own employment and business activities

5 Skills and analysis in context level

The skills and analysis level builds on the foundation of competences already achieved and without repetition takes students into a higher level where their skills are developed and expanded and put into context.

The emphasis is on skills being used in straightforward business situations.

There is also a more rigorous development of knowledge in core subjects but being used as a support to essential business and accounting skills.

There are six syllabus elements and although students are not required to take them in sequence there is a logical progression in the sequence.

The six elements are:

1	**Financial management**	Financial management develops on aspects of business information at the knowledge and skills level. In particular it examines in context the basics of financing decisions, investment decisions and how financial engineering can be managed. It also includes the basics of business valuations.
2	**Financial accounting**	In this element the accounting from the knowledge and skills level is taken up a level into financial accounting in the context of more complex events and transactions with a greater emphasis on compliance with regulations including local and International Accounting Standards and generally accepted accounting practices in the public and private sectors. Students will be expected to demonstrate an understanding of and competence in financial statement analysis and basic analysis of choices in accounting treatments.
3	**Auditing principles and practice**	With students now possessing knowledge of accounting systems and generally accepted accounting practices auditing principles and practice builds a firm foundation in the nature and purpose of both internal and external audit including modern risk based and systems based techniques and basics of reporting internally and externally. There is an emphasis on knowledge of International Standards of Auditing and their application to straightforward situations requiring audit judgement.
4	**Tax and public finance**	Professional accountants need to understand tax to support both compliance and effective basic professional advice. The emphasis is on a basic knowledge and application of tax legislation relating to employees, employers, trading and operating and local business activities in straightforward situations. Students will be expected to be able to analyse the tax consequences of personal and corporate actions and activities. Public finance also develops a basic understanding and application of the finance and financial operation of public sector entities in the local regulatory environment.
5	**Performance management**	Performance management develops and deepens student's capability to provide information and decision support to management in operational and strategic contexts with a focus on linking costing, management accounting and quantitative methods to critical success factors and operational strategic objectives whether financial, operational or with a social purpose. Students will be expected to be capable of analysing financial and non-financial data and information to support management decisions.
6	**Management, governance and ethics**	This syllabus element takes knowledge from the first level into a contemporary business context in which excellence in management, effective risk management, sound corporate governance and good ethics support the operation of businesses, whether private or public sector entities that are better able to meet objectives, expectations and are focused on long-term sustainable success. Students will be expected to be capable of analysing simple scenarios in terms of good and best practice and compliance in the context of knowledge and skills that they have cumulatively developed.

6 Professional analysis, application and evaluation level

The professional analysis, application and evaluation level takes students to the level where they

have to make professional judgements and evaluations based on more complex business situations linking knowledge, application and synthesis recognising alternatives and broader issues that are not immediately apparent. Generally students will be required to deal with scenarios and develop analysis and make critical comments and draw conclusions that are effectively articulated.

In the stage one development of the NBAA syllabus there are four syllabus elements:

1	**Reporting**	This syllabus component, in the context of both the private and public sectors, extends student's coverage of generally accepted accounting practices but also deepens their understanding of reporting and their ability to apply practices to more complex situations. Assessments will test their ability to evaluate the acceptability of alternatives from a compliance perspective and an understanding as to how reporting alternatives affect the results, position and risks disclosed by entities. Assessments will also include considerations relating to the use of complex financial instruments. Students may be assessed on their understanding of earnings management, creative accounting and aggressive earnings management. Students may also be assessed on their competences in financial statement analysis and analysis of other reports as a basis for understanding the position, performance and risks of businesses. Reporting extends to sustainability and corporate social responsibility reports and business reviews management commentaries or similar reports.
2	**Assurance**	This syllabus component in the context of both the private and public sectors extends student's coverage of International Standards on Auditing but also deepens their understanding of auditing and assurance evidence and the reporting issues that arise in more challenging business and reporting circumstances. Assessments will test their ability to evaluate the acceptability of evidence and of alternative accounting and reporting treatments and their capability to develop appropriate plans to deal with more complex issues. Reporting contexts extend to sustainability and corporate social responsibility reports, governance reports and business reviews management commentaries or similar reports.
3	**Business and corporate finance**	Business and corporate finance brings together business strategy, performance management strategic financial management. Business strategy enables students to understand tools and models to support the effective development and implementation of strategy and for strategic analysis, choice and implementation. Performance management deepens student's understanding of performance measures with a link to strategic management. Corporate finance extends student's knowledge to include more complex financial instruments and international issues and deepens their understanding of investment decisions. The assessment will include business evaluations based on more complex data, financial and stakeholder analysis including making recommendations.
4	**Finance and taxation**	This syllabus component recognises that accountants may operate in both public and private sector environments. The syllabus component develops a broad understanding of the regulatory environment and requirements in the public sector through financial reporting and accountability and through audit. The syllabus component also develops further aspects of finance, taxation and public policy including value for money, governance and ethics. Taxation aspects from paper B4 are developed further with the addition of VAT, customs and international tax aspects and the inclusion of tax planning opportunity considerations.

7 Assessments at the three levels

Questions at the knowledge and skills level are most likely to provide students with information and relatively simple limited scenario content that they can use as a basis to calculate, compile and

prepare specific requirements or as a basis for stating and explaining their knowledge.

Questions at the skills and analysis in context level are most likely to provide students with relatively straightforward but realistic scenarios and supporting information asking them to prepare more technically complex outputs that are more focused on user requirements.

Questions at the professional analysis, application and evaluation level will almost always begin with a scenario that is more challenging in terms of its business complexity with requirements that will be reported to a third party or supervisor that require analysis, critical comment, evaluation of alternatives and effective articulation. Often requirements will allow for higher level skills of application and synthesis. Some requirements may contain issues that are not immediately apparent.

8 Development of technical competence in a regulatory environment

This syllabus contains detailed specifications of the extent and depth of knowledge required of laws, regulations, codes and standards within relevant subjects. These specifications are updated each six months as changes take place in the regulatory environment so that students know exactly what is and is not examinable.

9 Integration of business and professional ethics

Elements of business ethics are included in both the Business and Management and the Business Law papers at the knowledge and skills level. Business and professional ethics are specifically included in the Auditing and Tax papers at the skills and analysis level and clearly in the Management, Governance and Ethics paper and in all papers at the professional analysis, application and evaluation level.

10 Minimum entry requirements

This section to be completed by the NBAA in due course.

11 English and numeracy

This section to be completed by the NBAA in due course.

12 Recognition of qualifications for exemption

This section to be completed by the NBAA in due course.

13 Pass marks

This section to be completed by the NBAA in due course.

14 Registration and exam entry

This section to be completed by the NBAA in due course.

15 Fees

This section to be completed by the NBAA in due course.

16 Teaching and learning

This section to be completed by the NBAA in due course.

17 Results

This section to be completed by the NBAA in due course.

18 Elimination of referral system

This section to be completed by the NBAA in due course.

19 Other exam regulations

This section to be completed by the NBAA in due course.

20 Appendices (insertion of percentages required against content and competences)

20.1 Syllabus specifications

20.1.1 Knowledge and skills level

A1. Quantitative techniques

Purpose

To be inserted

Content and competences

1 Review of basic mathematics

Apply accurately the key tools of basic maths in simple business and accounting examples

(a) Fractions
(b) Percentages
(c) Algebra
(d) Powers and indices
(e) Sequence and series

2 Equalities and inequalities

Apply accurately both numerically and graphically equations and inequalities in simple business examples

(a) Coordinates and graphs
(b) Straight line equations
(c) Simultaneous equations
(d) Curves
(e) Inequalities

3 Mathematics of business finance

State, explain and apply the key tools of maths used in business finance problems

(a) Compound interest
(b) Discounting and the time value of money
(c) Annuities
(d) Present value of annuities
(e) Sinking funds and amortisation

4 Elements of calculus

Apply accurately in simple business related situations the key tools of basic calculus

(a) Uses of calculus
(b) Differentiation
(c) Integration
(d) Identification and determination of stationary points
(e) Elements of optimisation (Maximum and minimum)

5 Data collection

State, explain and apply methods of data collection and presentation in simple business related situations

(a) Frequency distributions – simple and cumulative
(b) Histograms, frequency polygons and ogives

6 Measures of central tendency

State, explain and apply key measures of central tendency in business related situations

(a) The concepts of averages
(b) The arithmetic mean
(c) The median
(d) The mode
(e) Quartiles

7 Measures of dispersion

State, explain and apply key measures of central tendency in business related situations

(a) The concept of dispersion
(b) Range
(c) Mean deviation
(d) Quartile deviation
(e) Standard deviation
(f) Variance

8 Probability

State, explain and apply key measures of central tendency in business related situations

(a) Basic rules of probability
(b) Mutually exclusive, independent and conditional probability
(c) Expected values
(d) Tree diagrams

(e) The normal distribution

9 Forecasting

Apply accurately in simple business situations basic tools of financial and operational forecasting

(a) Time series

(b) Trend, seasonal variations, cyclical variations and random variations

(c) Moving average trend

(d) Forecasting

A2. Business and management

Purpose

To be inserted

Content and competences

For all the content below students are required to be able to state and explain the concepts and their business relevance

1 Business purpose and objectives

(a) For profit

(b) Not for profit

2 Entity type and choices

(a) Limited companies

(b) Public Limited Companies

(c) Sole traders

(d) Partnerships

(e) Alliances

(f) Non-governmental entities

(g) Public sector entities

3 Business and organisational structures and choices

(a) Centralisation

(b) Decentralisation

(c) Matrix and mixed structures

(d) Networks

(e) Virtual arrangements

4 The business environment

(a) Globalisation

(b) International business

(c) Macro-economic environment

(d) National environment

(e) Micro-economic environment

(f) Markets and industries

5 Business planning

(a) Basics and relationships of strategic vision, mission, values and objectives

(b) The relationship between strategic , business and operational plans

(c) Basics of strategic plan development

6 Business functions, activities and processes

(a) The relationships between business functions, activities and processes and their support for achieving business objectives

(b) The relationship between entity and functional strategies

7 Basics of business finance and financial markets

(a) Sources of finance

(b) Basics of financial engineering

(c) Financial markets

8 Management, individual and organisational behaviour

(a) Formal and informal organisation

(b) Culture

(c) Leadership and management

(d) Individual and group behaviour in organisations

(e) Team formation, development and management

(f) Motivation of management and employees

9 Basic concepts of competitive advantage

10 Basic models for business analysis

(a) PEST analysis

(b) Porter's five forces analysis

(c) 4 p's of marketing

(d) Product life cycles

(e) Boston Consulting Group matrix

(f) SWOT analysis

11 Basics of governance, sustainability, corporate social responsibility and ethics

12 The role of professional accountants in business and society

(a) The public interest

(b) Fundamental principles of ethics

A2. Accounting

Purpose

To be inserted

Content and competences

1 Recording transactions and events

(a) State why it is important for an entity to maintain reliable financial records and prepare reliable

financial statements

(b) Identify the sources of data and information for compiling financial records and financial statements

(c) Record and account for transactions and events relating to income, expenses, assets, liabilities and equity in accordance with generally accepted accounting practice

(d) Record and account for changes in ownership, capital and equity for companies and partnerships

(e) Compile a trial balance and state its purpose and uses

2 Adjustments to accounting records and financial statements

(a) Use of accounting systems and the identification of errors and discrepancies including reconciliation procedures

(b) Recording correcting entries for errors and omissions including stating their effect on the financial statements

(c) Using control account reconciliations, external and other reconciliations to enable recording of correcting entries using suspense accounts and control accounts

(d) Record and describe correcting entries and approved changes in a journal and in draft financial statements

(e) Using an extended trial balance to support financial statement compilation

3 Compiling financial statements

(a) State and explain the purpose, nature and relationships between the main financial statement components

(b) State and explain the basis and purpose of the accruals, cash and break-up bases of accounting

(c) Compile financial statements and straightforward supporting notes including the income statement, statement of financial position and cash flow statement that meet the requirements of an entity's primary users

(d) In compiling financial statements students will be expected to be able to present such statements for sole traders, partnerships, companies and not for profit entities

(e) In compiling financial statements students will be expected to be able to do so from incomplete records

Required knowledge – Accounting Standards

- Preface to IFRS
- Conceptual Framework for Financial Reporting
- IAS 1 Presentation of Financial Statements
- IAS 7 Statement of Cash Flows

A3. Business information

Purpose

To be inserted

Content and competences

1 Costing

(a) Classify costs for different purposes including identifying fixed and variable, product and period, direct and indirect and costs by nature, function and purpose

(b) Identify and calculate the costs of products, services and projects including process costs

(c) Identify and calculate unit costs and the effect of different costing methods on reported financial results using marginal and absorption costing approaches

(d) Select and explain the most appropriate costing approach for a given product or service for reporting and decision-making purposes

2 Forecasting and budgeting

(a) Compile forecasts for management information purposes

(b) Compile budgets and extracts from budgets using information provided

(c) Select and justify the choice of the most appropriate methods of budgeting for planning and controlling including motivational considerations, including:

- Bottom-up and top-down approaches
- Marginal and absorption approaches
- Activity based costing
- Zero-based and incremental approaches
- Beyond budgeting approaches

(d) Compile and identify and explain the business consequences of a cash budget identifying flows, balances and limits

(e) Calculate and explain the working capital and cash cycles of a business

3 Decision-making

(a) Calculate, explain and comment upon the contribution, break-even point and margin of safety for a product or service

(b) Calculate, explain and comment upon the accounting rate of return, payback period, net present value and internal rate of return for an investment proposal

(c) Calculate, explain and comment upon the best allocation of scarce resources to a product or service based on contribution per unit of limiting factor

4 Performance measurement and management

(a) State and explain the key characteristics of an effective performance management system

(b) Identify and explain appropriate performance measures of a financial and non-financial nature that support achievement of entity objectives

(c) Calculate, explain and comment upon both price and volume effects of variances from standards or budgets and other variations from key performance measures and their implications for management

(d) State how control systems can be used to support effective performance management

(e) Calculate and explain the differences between reported income using marginal costing and absorption costing approaches

5 Information, information technology and information systems

(a) Explain and distinguish the nature of data, information and knowledge

(b) Identify and explain the main information technologies that support modern information systems

(c) Identify and explain the main information systems used by entities including business process

systems, transactions processing systems, management information systems, decision-support systems and executive information systems

(d) Identify and explain the main risks to the reliability of data and information and how these may be managed and controlled operationally and through management of systems and technology including development of new systems

A4. Business law

Purpose

To be inserted.

Content and competences

1 The legal framework and processes

(a) Introduction to the legal system

(b) The distinction between civil law, criminal law, case law and statute

2 Company law and insolvency

(a) Identify, state and explain the nature of and differences between a legal partnership and a company

(b) State and explain the way in which a company or partnership may be formed including the creation of effective memorandum and articles of association and agreements in partnership

(c) State and explain the consequences of incorporation including practical considerations of record keeping and filing

(d) State and explain the procedures for the issue of shares

(e) State and explain the duties of directors including fiduciary and other duties and how they may be appointed, re-appointed, removed or in any other way cease office

(f) Identify and explain the ways in which the capital of a company is maintained and protected including laws relating to distribution of profits

(g) Identify and state the requirements for share transfer and disclosure of ownership

(h) Identify and explain how shareholders can influence the composition of the board and strategy or decisions of a company

(i) Identify and state how meetings of shareholders can be requisitioned and how voting operates

(j) Identify the rights of shareholders to challenge the management of a company

(k) Identify and state the powers of directors

(l) Identify and state the consequences of a breach of duty by a director

(m) Identify and state the duties, powers and responsibilities of a company auditor including the basic steps to appoint and remove and auditor and how he may resign

(n) Identify and explain the nature of and difference between fixed and floating charges

(o) Identify and state the differences between the types of insolvency, liquidation and receivership including the rights of creditors and the shareholders and the procedures for winding up

(p) Identify and explain the consequences of insolvency

3 Criminal law for businesses and professional accountants

(a) Identify, contrast and explain laws, ethics and ethical codes

(b) Identify and state the basic laws relating to theft, fraud and deception

(c) Identify and state the basic laws relating to bribery

(d) Identify and state the basic laws relating to money laundering

(e) Identify and state the basic laws relating to negotiable instruments

4 Civil law for businesses and professional accountants

(a) Identify and explain how a contract may be made and how it can be enforced

(b) Identify and explain the circumstances in which a contract may be terminated and the remedies for a breach of contract

(c) State and explain the nature of an agency relationship

(d) Identify situations where agency exists

(e) Identify and explain the duties, rights and legal capacity of an agent

(f) Identify and explain negligent actions or omissions and their consequences

(g) Identify and explain vicarious liability

5 Data protection and computer misuse

(a) Identify situations and state the law relating to data protection and computer misuse

6 Employment law

(a) Identify situations and state the law relating to employment, including contracts, duties and rights, dismissal unfair dismissal and other claims

20.1.2 Skills and analysis in context level

B1. Financial management

1 Financing decisions

(a) Evaluate and explain the relationships between business objectives and financial management objectives and the processes of developing strategy

(b) Identify and evaluate based on a given scenario the impact of external factors and financial market issues upon business and financial strategy

(c) Evaluate and explain the implications of given terms in a loan or financing agreement including covenants, warranties and guarantees

(d) Evaluate and explain the roles motivations and interests of different stakeholders in financing decisions

(e) Identify and calculate based on a given scenario using given data and information the future financing requirements of an entity making reasoned assumptions and using suitable techniques to deal with uncertainty using information relating to current plans and operations

(f) Identify and assess appropriate options for financing an entity based on a given business scenario and environment

(g) Calculate, evaluate and compare financing options including tangible and intangible benefits using selected and appropriate financial appraisal techniques and supporting tools

(h) Calculate and evaluate giving suitable advice on the costs of different financing methods both before and after tax and using a weighted average cost of capital

(i) Identify and explain the effect of capital gearing on investors perception of financial risk and return

(j) Identify and explain how group reconstructions, purchase of own shares and distributions

using distributable profits may support financing decisions

2 Management of financial risks

(a) Identify and explain the financial risks of a business based on a given scenario, data and information

(b) Explain how financial instruments such as hedging and derivative products may be used to manage risks and the nature of such products

(c) Identify and explain the alternative approaches to managing interest rate exposure based on a given scenario, data and information evaluating the costs of basic hedging arrangements

(d) Identify and explain the alternative approaches to managing currency rate exposure based on a given scenario, data and information evaluating the costs of basic hedging arrangements

3 Investment decisions

(a) Identify, assess and explain appropriate investment appraisal techniques based on a given business, its objectives and circumstances

(b) Identify, assess and explain appropriate discount factors or rates use to undertake an investment appraisal based on a given business scenario, data and information

(c) Identify, assess and explain appropriate data that may be used in cash flow calculations based on a given business scenario, data and information

(d) Draft workings, calculate results and assess the implications including advising on the results on investment appraisal analysis using information derived from a business scenario

(e) Identify, assess and explain other factors that may need to be considered beyond basic investment appraisal analysis including assessment of risks, subjective factors intangible factors and limitations in data and information may affect the advice given

(f) Calculate and explain an optimal investment plan in situations when there are capital restrictions and limitations

(g) Draft a straightforward investment plan with commentary based on a business scenario that requires an investment appraisal to be undertaken or where information is given

(h) Identify, evaluate and explain the impact of non-financial factors on making an appropriate investment decision taking into account economic, social and environmental issues

4 Business valuations

(a) Draft and calculate a valuation based on income, cash flow or asset bases with explanations of a business or shares or other securities of a company

(b) Identify, illustrate and explain how sensitivity analysis can support a business or share valuation

B2. Financial accounting

1 Accounting and reporting concepts, frameworks and practices

(a) Explain the importance of a regulatory framework for accosting and reporting

(b) Explain the objectives and limitations of financial statements using appropriate examples or using a given scenario

(c) Explain and present the quantitative characteristics of financial statement disclosures

(d) Identify and present the financial effects of accounting for events and transactions under the IASB Conceptual Framework

(e) Identify, present and explain the differences between financial statements prepared using

accruals and cash bases

(f) Identify and explain the break up basis of accounting

(g) Identify, present and explain to professional accountants or general users the different bases of measurement or of capital and capital maintenance that may be used under accruals based accounting

(h) Explain the meaning of true and fair or fairly presented in relation to financial reporting

2 Preparing single entity and single company financial statements

(a) Identify and state the circumstances in which public or private sector entities are required to prepare and present statutory financial statements

(b) Identify and state the laws, regulations accounting standards and other requirements that govern the production of financial statements by such entities

(c) Draft and compile financial statements, or extracts from them, of an entity in accordance with its chosen policies and in accordance with IFRS, IPSAS and local law

(d) Assess the circumstances in which the use of IFRS for companies and IPSAS for public sector entities may be required

3 Financial statement analysis and evaluation

(a) Calculate basic financial ratios and assess the financial results and position of a single entity

(b) Evaluate, judge and advise on the appropriateness of chosen accounting policies with regard to compliance with international reporting standards

4 Preparing consolidated financial statements

(a) Identify and state the circumstances in which entities are required to prepare and present statutory consolidated financial statements

(b) Identify and state the laws, regulations accounting standards and other requirements that govern the production of consolidated financial statements by entities

(c) Identify from data provided a subsidiary or associate in accordance with the international financial reporting framework and local law

(d) Evaluate and calculate the figures to be included in consolidated financial statements in respect of an acquisition, continuing ownership or disposal of a subsidiary but not including part disposals and disposal of an associate

(e) Draft, compile and present the consolidated financial statements or extracts of them in accordance with selected accounting policies and the requirements of IFRS

Knowledge required – International Accounting Standards

- Preface to IFRS
- Conceptual Framework for Financial Reporting
- IAS 1 Presentation of Financial Statements
- IAS 2 Inventories
- IAS 7 Statement of Cash Flows
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS 10 Events after the Reporting Period
- IAS 11 Construction Contracts
- IAS 12 Income Taxes
- IAS 16 Property, Plant and Equipment

- IAS 17 Leases
- IAS 18 Revenue
- IAS 19 Employee Benefits
- IAS 20 Accounting for Government Grants and Disclosure of Government Assistance
- IAS 23 Borrowing Costs
- IAS 24 Related Party Disclosures
- IAS 27 Consolidated and Separate Financial Statements
- IAS 28 Investments in Associates
- IAS 31 Interests in Joint Ventures
- IAS 32 Financial Instruments: Presentation
- IAS 33 Earnings per Share
- IAS 36 Impairment of Assets
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets
- IAS 38 Intangible Assets
- IAS 39 Financial Instruments: Recognition and Measurement
- IAS 40 Investment Property
- IFRS 3 Business Combinations
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- IFRS 7 Financial Instruments: Disclosures
- IFRS 8 Operating Segments

B3. Auditing principles and practice

1 Objectives, process and need for external audit and assurance

(a) Define and explain the concepts of audit and assurance

(b) State and explain the reasons for and the benefits gained from the different types of audit and assurance assignments including those relating to financial statements, internal controls, corporate social responsibility and sustainability reports

(c) State and explain the parties and their roles, duties and rights in an assurance engagement including the members of the assurance team

(d) Identify and explain using suitable comparisons the different levels of assurance that may be obtained from assignments

(e) Identify and explain the meaning of expectation gaps in the context of audit and assurance assignments and their implications for the profession, including fraud, going concern, internal control and risk issues

(f) State and explain the basic steps or components of an assurance process

- The approach, obtaining assignments and nomination
- Accepting an engagement
- Appointment
- Scope of work
- Risk and risk assessment
- Different approaches
- Planning

- Performance
- Evidence and obtaining evidence
- Testing and other work
- Evaluating results
- Concluding and considering an appropriate report
- Reporting
- Records and working papers

(g) State and explain the meaning of public interest and the need for professional scepticism in carrying out assurance engagements

(h) State and explain the meaning of materiality

(i) State and explain the meaning of reasonable assurance

(j) State and explain the meaning of an opinion and an assurance report

2 The nature and use of internal controls

(a) State and explain the nature of internal financial controls and internal controls

(b) State and explain the meaning of effective internal financial controls and internal controls

(c) Identify and explain the business, reporting and compliance objectives supported by internal controls

(d) State and explain the different types of internal control with emphasis on internal financial controls

(e) State and explain the main components of internal control including, the control environment, risk assessment, control activities, information and communication and monitoring activities

(f) Identify and evaluate internal controls in a scenario stating how the controls support particular aspects of reliable financial reporting and support the prevention and detection of fraud and error

(g) Identify and evaluate internal control weaknesses in a given scenario explaining how these may be rectified

(h) Identify and explain how accounting systems and related internal controls may be identified, recorded and analysed

(i) Identify, state and explain the limitations of internal controls

3 The nature of audit evidence and the selection of sufficient appropriate evidence

(a) State and explain why it is important to maintain and keep working papers and other documentation

(b) State, identify and explain the different sources and quality of evidence and the methods of obtaining evidence including documenting and assessing systems and controls, tests of controls, substantive tests and analytical procedures

(c) State and identify the differences in quality and reliability of different sources of audit evidence and the efficiency and effectiveness of different methods of obtaining evidence

(d) Identify, state and explain appropriate procedures to gather evidence including all of the above sources and procedures based upon a given scenario

(e) Identify and evaluate based on a given scenario including information regarding evidence obtained whether that evidence is sufficient to provide an appropriate basis for a given opinion or report

(f) Identify the circumstances where written representations may be required stating how reliable

such evidence may be

(g) Identify and evaluate the circumstances where matters need to be raised with a senior assurance team member and how this should be communicated and documented

4 Professional ethics, public interest, fundamental objectives, threats and safeguards to independence

(a) Explain the importance of professional ethics

(b) Explain the differences between rules based and principles based approaches to professional ethics

(c) Identify and explain in context the meaning of public interest

(d) Identify and explain ethical issues based on the IFAC code

(e) Select suitable actions to deal with ethical dilemmas

(f) Identify and explain in context the fundamental ethical principles

(g) Identify and explain in context the ethical threats and safeguards

(h) Identify and explain in context ethical conflicts as an employee and as a practising accountant

5 Basics of assurance reports, identifying and explaining the content and the different types and when they may be used

Technical knowledge requirements - International Standards on Auditing

- 200 Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing
- 300 Planning an Audit of Financial Statements
- 315 Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and its Environment
- 320 Materiality in Planning and Performing an Audit
- 450 Evaluation of Misstatements Identified during the Audit
- 500 Audit Evidence
- 505 External Confirmations
- 520 Analytical Procedures
- 530 Audit Sampling
- 540 Auditing Accounting Estimates, Including Fair Value Accounting Estimates and Related Disclosures
- 580 Written Representations
- 700 The Auditor's Report on Financial Statements

B4. Tax and public finance

1 **Fiscal functions**

(a) Identify and explain the needs for and major functions of the public sector

(b) Identify and explain the allocation function

(c) Identify and explain the distribution function

(d) Identify and explain the stabilisation function

(e) Identify and explain how functions can be coordinated and the conflicts between them

2 Economics of taxation

(a) Identify and explain the nature of and objectives behind taxation of income, sales, property, wealth, payroll and value added taxes

(b) Identify and explain the basic principles of the incidence of taxation

(c) Identify and explain the basic principles of the use of taxation in achieving government objectives in economic, social and environmental terms

3 Economics of public finance

(a) Identify and explain the structure of government and public sector accounts

(b) Identify and explain the components of national income

4 Taxation law and practice

(a) Individual income tax – compile and calculate the taxation payable by an individual from employment, investment and business sources

(b) Corporate income tax – compile and calculate the taxation payable by an entity and by its shareholders

(c) Depreciable assets – compile and calculate the depreciation allowances for depreciable assets

(d) State and explain the rules governing amounts used in calculating the income tax base

(e) State and explain the tax payment procedures for individuals and corporations stating in respect of tax computed when payment shall be made

(f) State and explain how income tax may be payable based on returns or assessments

5 Ethical issues in the public sector and tax practice

(a) State and explain the IFAC Ethical Code guidance for professional accountants providing taxation services

(b) State and explain how the provision of taxation services creates self-review and advocacy threats

(c) Explain how the fundamental principles of integrity, objectivity, professional competence and due care, professional behaviour and confidentiality apply when providing taxation services

(d) State and explain the nature of and difference between tax avoidance and tax evasion

(e) State and explain the tax administration provisions relating to Tax Consultants in The Income Tax Act

B5. Performance management

1 Entity performance management

(a) Select and calculate suitable financial performance measures for a given business from given data and information evaluating the results based on business objectives and advising upon management action

(b) Select and calculate suitable non-financial performance measures for a given business from given data and information evaluating the results based on business objectives and advising upon management action

(c) Explain and assess the use of balanced scorecard methods including evaluation of performance from given data and information

(d) Explain and evaluate the use of value for money (VFM) techniques in performance management

(e) Select and explain stakeholder based measures of performance that may be used to evaluate social or environmental performance of a business

2 Divisional performance management

(a) Select and calculate suitable bases for setting transfer prices for decision-making and performance measurement based on give information for a given business evaluating the results and advising upon management action

(b) Select and explain suitable divisional performance measures for a given business using return on investment , residual income and economic value added approaches evaluating the results and advising upon management action

3 Decision-making and decision support

(a) Select and calculate suitable relevant cost bases based on given data and information evaluating the results and advising on management action

(b) Select, calculate and present cost volume profit analyses and break even analyses based on a given business and given data and information using both numerical and graphical techniques evaluating the results and advising on management action including single and multiple product decisions

(c) Select relevant limiting factors for a scarce resource or resources in a given business scenario applying a relevant technique given business objectives including make or buy decisions

(d) Calculate and present using simultaneous equations or graphical techniques an optimal solution to a given business problem with scarce resources advising upon management action

(e) Calculate and present numerically and graphically the optimum selling price for a product or service using given data and information for a given business and advising upon management action

(f) Select and advise management upon suitable pricing strategies for a given business based on a given business scenario and given business objectives

(g) Select calculate and advise management upon suitable techniques to deal with make or buy decisions, in-house or outsourcing decisions, contract pricing decisions and decisions on whether to undertake further processing or not

(h) Select and explain how management can deal with uncertainty in decision-making including the use of simulation, decision-trees, expected values and sensitivity analysis applying such techniques to a given business with given data and information including giving advice to management

4 Strategic performance management

(a) Analyse and evaluate given a scenario for a given business given its objectives, critical success factors and strategy using techniques such as c analysis, five forces analysis, the Boston Consulting Group model, value chain analysis, Ansoff's matrix, and other suitable strategic models including information about its strengths weaknesses opportunities and threats suitable performance measures at a strategic level

(b) Analyse and evaluate including calculations of suitable performance measures for a business given a scenario including return on capital employed, return on investment, earnings per share, earnings before interest, tax, depreciation and amortisation, residual income, net present value and internal rate of return

(c) Analyse and evaluate given a business scenario suitable measures of liquidity, gearing and cash flow for a business entity

5 Performance management systems

(a) Evaluate and advise management on suitable information technology and information systems support that may enable them to operate effective operational and strategic performance

management systems

(b) Evaluate and advise management on suitable approaches that may be used to management people issues and change when implementing performance management systems

6 Variance analysis

(a) Calculate and present using absorption or marginal costing techniques performance management reports that reconcile actual and budgeted results

(b) Apply flexed budgeting techniques to a given scenario

(c) Calculate using given information and advise management of the implications of and actions required based on variances including

- Sales, price and volume variances
- Materials use and price variances
- Variable overhead expenditure and efficiency variances
- Fixed overhead volume, capacity and efficiency variances
- Material mix and yield variances
- Sales mix and quantity variances
- Planning and operational variances

B6. Management, governance and ethics

1 Management

(a) Strategic analysis

- Analyse a business and its strategy given its purpose, mission, vision and objectives from a shareholder and stakeholder perspective
- Analyse the opportunities and threats arising from events or potential events in the environment of a business at a global, national, market, product and competitive level
- Analyse the current position of a business in terms of its competitive strategy, plans and current markets drawing conclusions and giving straightforward advice on the chosen plans
- Analyse the current position of a business with a chosen strategy in the context of its environment based on an assessment of its resources, processes, people, IT, products core capabilities and competences, giving straightforward advice
- Draft an overall analysis drawing conclusions with advice based on given financial and non-financial data and information from a variety of sources in a given scenario

(b) Strategic choice

- Analyse the appropriate choices of strategy that a company may adopt with explanation based on a given scenario
- Identify from an analysis undertaken of choices of strategy, with explanation, the impact on commercial, ethical, corporate responsibility and sustainability objectives
- Evaluate appropriate strategies based on a given scenario that support a business's objectives taking into account constraints, conflicts and other issues
- Draft conclusions based on market and product analyses that support a business strategy concerning the pricing, positioning, placing and product decisions in a strategic marketing plan

(c) Strategic implementation

- Analyse the alternative appropriate functional strategies that may be appropriate to

deliver a chosen strategy set out in a given scenario

- Analyse the alternative appropriate organisational structures and related activities that may be appropriate to deliver a chosen strategy set out in a given scenario
- Analyse a chosen business strategy in a given scenario so that an evaluation may be undertaken leading to the drafting of a simple business plan
- Evaluate a given business plan from a shareholder or stakeholder perspective drawing conclusions and judgements as to whether it can meet the business's objectives in the context of its environment
- Evaluate and explain how information technology and information systems can support the effective implementation of a business strategy including issues of competitive advantage
- Evaluate and explain the potential issues of change arising from a chosen or given business strategic implementation plan

(d) Risk and risk management

- Explain the meaning of risk and business risk including risks arising externally or internally and relating to achievement of;
  - Strategic objectives
  - Operational efficiency and effectiveness
  - Reliable reporting, and
  - Legal, regulatory and ethical compliance
- Identify and assess risks in a given scenario and their impact upon objectives
- Identify and explain appropriate responses to risks identified in a given scenario
- Identify and explain appropriate high level procedures to mitigate risks in a given scenario
- Identify and explain appropriate mechanisms to monitor risk and risk management processes including information and communication systems
- Evaluate both inherent and residual risks after mitigation and judge them in relation to shareholder and stakeholder risk appetites in a given scenario

(e) Governance

- Identify and based on a given scenario assess the role and responsibilities of an effective board
- Identify and based on a given scenario assess the issues of accountability of management to a board, private and institutional shareholders
- Identify and based on a given scenario evaluate the issues of transparency for an entity
- Explain the importance of probity as a principle of governance assessing issues and their implications in a given scenario
- Assess the extent to which a board is focusing on sustainable long-term success in a given scenario

(f) Ethics

- Explain and illustrate using information in a given scenario the meaning of business ethics
- Identify and explain in the context of a given scenario how business ethics and moral duties may be linked
- Identify and explain in the context of a given scenario how business ethics and business success may be linked

- Identify and assess in a given scenario issues of ethics and corporate social responsibility
- Identify and assess in a given scenario issue of professional ethics and corporate governance

20.1.3 Professional analysis, application and evaluation level

C1. Reporting

1 The reporting framework, generally accepted practice and current issues

(a) Evaluate and apply basic calculations to show how accounting requirements nationally and internationally affect financial reporting

(b) Explain how local and national standards of reporting are converging

(c) Identify and explain current issues arising in the development of generally accepted accounting practice at a local and international level

(d) Identify and evaluate the ethical and professional considerations when undertaking work, giving advice on financial accounting and reporting including common dilemmas that may be faced based on business and reporting scenarios

2 Selecting, assessing and presenting suitable accounting policies

(a) Draft and advise upon suitable accounting policies based on a business scenario under local and international requirements for public and private sector entities including single and consolidated financial statements

(b) Evaluate and advise upon how alternative choices of revenue recognition, asset and liability recognition and measurement can affect the understanding of the performance, position and prospects of an entity whether in the private or public sector or when presenting consolidated or single entity financial statements

3 Preparing and reporting information for financial statements and notes

(a) Prepare and present extracts from the financial statements of a single entity undertaking a variety of transactions on the basis of chosen accounting policies and in accordance with IFRS and local regulations

(b) Identify from a given scenario a subsidiary, associate or joint venture according to international standards and local regulation

(c) Calculate from given data and information the amounts to be included in an entity's consolidated financial statements arising from existing, new or discontinuing activities or interests (excluding any part disposal) in subsidiaries, associates or joint ventures in accordance with IFRS and local regulations

(d) Prepare and present extracts from the financial statements of an entity preparing consolidated financial statements undertaking a variety of transactions on the basis of chosen accounting policies and in accordance with IFRS and local regulations

(e) Identify and explain the extent of distributable profits of an entity based on local regulations

(f) Identify and explain with examples the additional information that may be included in annual reports beyond financial statements in accordance with international best practice and local requirements including management reports, risk information, governance reports, financial summaries, key performance indicators and highlights

4 Interpretation and evaluation of financial information and disclosures

(a) Explain and communicate to a chosen user the application of IFRS and local requirements for a private or public sector entity

(b) Identify and assess the choice of accounting treatments that may be adopted based on a given scenario explaining how then may affect a users' understanding of a business

(c) Identify and assess chosen policies and treatments for a given entity or entities comparing the fairness of presentation and compliance with international and local practice for a private or public sector entity

5 Financial and business analysis

(a) Identify and calculate suitable performance, position and prospect measures using key indicators, financial statement ratios, stock market ratios, comparisons, trend analyses and other representations of relationships that support a meaningful financial and business analysis of a private or public sector entity

(b) Identify and comment upon limitations of your analysis

(c) Draw conclusions and report on the analysis undertaken from a business perspective

Technical knowledge required – Accounting Standards

- Preface to IFRS
- Conceptual Framework for Financial Reporting
- IAS 1 Presentation of Financial Statements
- IAS 2 Inventories
- IAS 7 Statement of Cash Flows
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS 10 Events after the Reporting Period
- IAS 11 Construction Contracts
- IAS 12 Income Taxes
- IAS 16 Property, Plant and Equipment
- IAS 17 Leases
- IAS 18 Revenue
- IAS 19 Employee Benefits
- IAS 20 Accounting for Government Grants and Disclosure of Government Assistance
- IAS 21 The Effects of Changes in Foreign Exchange Rates
- IAS 23 Borrowing Costs
- IAS 24 Related Party Disclosures
- IAS 26 Accounting and Reporting by Retirement Benefit Plans
- IAS 27 Consolidated and Separate Financial Statements
- IAS 28 Investments in Associates
- IAS 29 Financial Reporting in Hyperinflationary Economies
- IAS 31 Interests in Joint Ventures
- IAS 32 Financial Instruments: Presentation
- IAS 33 Earnings per Share
- IAS 34 Interim Financial Reporting
- IAS 36 Impairment of Assets
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets
- IAS 38 Intangible Assets
- IAS 39 Financial Instruments: Recognition and Measurement

- IAS 40 Investment Property
- IAS 41 Agriculture
- IFRS 1 First-Time Adoption of IFRS
- IFRS 2 Share-based Payment
- IFRS 3 Business Combinations
- IFRS 4 Insurance Contracts
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- IFRS 6 Exploration for and Evaluation of Mineral Resources
- IFRS 7 Financial Instruments: Disclosures
- IFRS 8 Operating Segments
- IFRS 9 Financial Instruments
- IFRS for SMEs

C2. Assurance

1 Legal, regulatory and ethical issues

(a) Assess and advise on technical, professional and ethical issues that may arise during assurance engagements including evaluation and communication with any party to the engagement

(b) Identify and make judgements upon when it may be appropriate to refer a matter to a more senior colleague or for third party advice or consultation

(c) Identify and explain the nature and purpose of laws, regulations standards and codes in the context of assurance engagements

(d) Explain, evaluate and communicate the process and issues in the standard setting process at national and international level

(e) Evaluate and communicate the interaction between national laws and regulations and the requirements of an assurance engagement

(f) Evaluate and communicate the differences between different jurisdictions and how the deal with audit issues including national approaches, international approaches and approaches such as the US Sarbanes-Oxley and related requirements for audit

(g) Identify, evaluate and explain how audits may fail to meet expectations of users

(h) Identify, evaluate and explain the extent of legal liability including criminal and civil law liability including professional negligence issues and how they can be mitigated

2 Accepting engagements and managing assignments

(a) Analyse and evaluate the issues during the process of obtaining audit work

(b) Identify and explain the legal, professional and ethical issues during the acceptance of assurance or audit assignments

(c) Analyse and evaluate the potential issues that determine the nature, scope and extent of an assurance or audit engagement

(d) Evaluate and apply appropriate procedures and personnel for management of an assurance or audit engagement

(e) Evaluate and apply appropriate quality control measures that may be used by a firm and during the course of an assurance or audit engagement

(f) Analyse and evaluate the extent to which assurance and audit functions within an entity can be used or relied upon

(g) Evaluate and apply appropriate monitoring and review procedures to effectively manage an audit or assurance engagement

(h) Identify and explain the purposes and how external monitoring of audit and assurance engagements might operate to ensure firm or engagement quality

(i) Analyse and evaluate the considerations for an auditor of risk issues identified prior to accepting an engagement

(j) Analyse and evaluate how engagement terms can be agreed and recorded by an auditor including those agreed with a client and those imposed by laws or regulations

3 Planning and undertaking work

(a) Analyse, evaluate and explain based on a business scenario the areas of a business that may be important to understand to develop an effective strategy or plan

(b) Analyse and evaluate the techniques available to obtain and effective understanding

(c) Analyse and evaluate the situations when third party expertise may be required

(d) Evaluate and communicate the elements of audit risk including inherent risk, control risk and detection risk and their relationship to audit planning of procedures

(e) Identify and evaluate the components of risk for any assurance engagement

(f) Evaluate and explain how business process effectiveness may affect an assignment

(g) Identify and evaluate the risks arising in a business scenario from accounting manipulation, error, fraud or other irregularities

(h) Identify and evaluate the risks arising in a business scenario from business and financial issues

(i) Evaluate and apply judgments and measures of materiality in carrying out an audit or assurance engagement

(j) Evaluate and apply analytical procedures that may be used to plan an audit or assurance engagement

(k) Analyse and evaluate how risk and materiality judgments affect the planning of an assurance or audit engagement, including the nature, timing and extent of work

(l) Develop a proposed audit plan with justifications of judgements made based on a business scenario for an audit or assurance engagement including considerations relating to:

- Materiality decisions
- Internal control assessments including IT controls
- Reliance on internal audit, specialists and the work of other auditors
- Use of client generated data, information and reports
- Tests of control, substantive procedures including analytical procedures
- Visits to locations, branches and departments

(m) Identify and explain appropriate procedures for assurance engagements for corporate social responsibility and sustainability reports

(n) Identify and explain the differences between assurance engagements and audit engagements for profit and not-for profit entities include those in the public sector

(o) Specify and explain in accordance with appropriate local legislation and international auditing and assurance standards the steps and procedures for audit and assurance work in the private and public sector

4 Assessment of risks, internal controls, internal financial controls

(a) Identify and assess based on a given business and a given scenario the business, reporting and compliance risks in the context of an assurance or audit engagement in the public or private sector

(b) Communicate advice or a report based on the assessment above

5 Evaluation of accounting treatments

Analyse and evaluate, drawing conclusions on the appropriateness of stated accounting treatments in the context of a given business and a given scenario in the public or private sector in an audit assignment based on local law and generally accepted accounting practice

6 Drawing conclusions and reporting

(a) Analyse, evaluate and propose how issues identified during the course of an assignment may be raised and dealt with in communication with management, directors and those charged with governance including action taken when issues cannot be agreed

(b) Identify, apply and explain procedures that may be used and considerations relating to the identification of subsequent events that may require adjustment or disclosure

(c) Identify, apply and explain procedures that may be used and considerations relating to the identification of risk issues that may require disclosure

(d) Evaluate and apply quantitative and qualitative judgments based on the results of tests and evidence obtained

(e) Draw conclusions and advise on the capability to report on an assurance engagement or audit engagement including reporting findings, giving an external audit opinion or dealing with other issues that may require to be included in an audit report

(f) Draft extracts of a suitable assurance report or management report based on a given scenario and entity

(g) Draft extracts of a suitable audit report or management report based on a given scenario and entity and in accordance with local law and international standards of accounting and audit

(h) Evaluate and apply suitable judgements on when it may be appropriate to refer to a specialist in preparing and opinion or report

(i) Evaluate and apply suitable judgements on when it may be appropriate to withdraw from, withdraw an opinion on or take other such appropriate action on an audit or assurance engagement

(j) Identify and explain the issues that may be relevant and the nature of report that may be given relating to risk management, internal controls and governance

Technical knowledge requirements - International Standards on Auditing

- 200 Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing
- 210 Agreeing the Terms of Audit Engagements
- 220 Quality Control for an Audit of Financial Statements
- 230 Audit Documentation
- 240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements
- 250 A Consideration of Laws and Regulations in an Audit of Financial Statements
- 250 The Auditor's Right and Duty to Report to Regulators in the Financial Sector
- 260 Communication with Those Charged with Governance
- 265 Communicating Deficiencies in Internal Control to Those Charged with Governance and Management

- 300 Planning an Audit of Financial Statements
- 315 Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and its Environment
- 320 Materiality in Planning and Performing an Audit
- 330 The Auditor's Responses to Assessed Risks
- 402 Audit Considerations Relating to an Entity Using a Service Organisation
- 450 Evaluation of Misstatements Identified during the Audit
- 500 Audit Evidence
- 501 Audit Evidence - Specific Considerations for Selected Items
- 505 External Confirmations
- 510 Initial Audit Engagements - Opening Balances
- 520 Analytical Procedures
- 530 Audit Sampling
- 540 Auditing Accounting Estimates, Including Fair Value Accounting Estimates and Related Disclosures
- 550 Related Parties
- 560 Subsequent Events
- 570 Going Concern
- 580 Written Representations
- 600 Special Considerations – Audits of Group Financial Statements (including the Work of Component Auditors)
- 610 Using the Work of Internal Auditors
- 620 Using the Work of an Auditor's Expert
- 700 The Auditor's Report on Financial Statements
- 705 Modifications to the Opinion in the Independent Auditor's Report
- 706 Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report
- 710 Comparative Information – Corresponding Figures and Comparative Financial Statements
- 720 The Auditor's Responsibility Relating to Other Information in Documents Containing Audited Financial Statements
- 720 The Auditor's Statutory Reporting Responsibility in Relation to Directors' Reports
- 800 Special Considerations – Audits of Financial Statements prepared in Accordance with Special Purpose Frameworks
- 805 Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or items of a Financial Statement
- 810 Engagements to Report on Summary Financial Statements

International Auditing Practice Statements (IAPSs)

- 1000 Inter-bank Confirmation Procedures
- 1004 The Relationship Between Banking Supervisors and Banks' External Auditors
- 1006 Audits of the Financial Statements of Banks
- 1010 The Consideration of Environmental Matters in the Audit of Financial
- Statements

- 1012 Auditing Derivative Financial Instruments
- 1013 Electronic Commerce: Effect on the Audit of Financial Statements

International Standards on Review Engagements (ISREs)

- 2400 Engagements to Review Financial Statements
- 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity

International Standards on Assurance Engagements (ISAEs)

- 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information
- 3400 The Examination of Prospective Financial Information
- 3402 Assurance Reports on Controls at a Service Organisation

International Standards on Related Services (ISRSs)

- 4400 Engagements to Perform Agreed-upon Procedures Regarding Financial Information
- 4410 Engagements to Compile Financial Statements

IFAC Statements

- ISQC1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services
- IFAC Code of Ethics for Professional Accountants

C3. Business and corporate finance

1 Business strategy

(a) Strategic analysis – Evaluate and apply making assessments and giving advice based on business scenarios using:

- PEST analysis
- Five forces analysis
- Boston consulting group model
- Competitor analysis
- Resource analysis
- Value chain analysis
- SWOT analysis
- Practical gap analysis
- Porter's competitive advantage
- Benchmarking approaches
- Ansoff's matrix
- Balanced scorecard approaches
- Strategic risk analysis

(b) Strategic choice – Evaluate and apply making assessments of options and giving advice based on business scenarios using:

- Extended strategic analysis
- Financial and operational data analysis
- Stakeholder analysis
- Corporate social responsibility and sustainability choices

- Formulation of strategic plans

(c) Strategic implementation - Evaluate and assess strategic implementation options giving advice based on business scenarios using:

- Business plans
- Resource plans
- Organisational plans
- Information and technology plans
- Change management plans
- Project management tools to support implementation

2 Business analysis – Evaluate and assess the value of businesses and shareholder value giving advice based on business scenarios using:

(a) Dividend yield based valuation techniques

(b) Price earnings ratio based valuation techniques

(c) Discounted cash flow based valuation techniques

(d) Asset based and net asset based measures of value

(e) Options based techniques

(f) Value based management

(g) Shareholder value analysis

(h) Short and long term growth rates and terminal values

(i) Economic profit methods

(j) Cash flow return on investment

(k) Total shareholder return

(l) Market value added

3 Financial analysis – Evaluate and assess the cost of capital, portfolio analysis and bond evaluation based on business scenarios including the use of:

(a) Cost of capital techniques including the cost of equity, debt, preference shares, bank finance, the weighted average cost of capital, convertibles and public sector discount rates

(b) Portfolio theory, the capital asset pricing model, the cost of capital and the international cost of capital

(c) Bond pricing using net present values

(d) Understanding of yields, yields to maturity, duration and price volatility, term interest rates, corporate borrowing and default risk

4 Financing - Evaluate and assess financing options for a business giving advice based on business scenarios including the use of:

(a) Short, medium and long term alternatives

(b) Issues of new capital

(c) Gearing and capital structure

(d) Dividend policy

(e) Working capital management

5 Financial engineering and planning – Evaluate and assess financial and planning options for a business giving advice based on business scenarios including the use of:

(a) Futures, options and swaps
- Interest rate futures
- Interest rate options
- Interest rate forward contracts
- Interest rate swaps

(b) Foreign exchange planning
- Exchange rate determinants and risks
- Forward contracts
- Money market cover
- Currency options
- Currency swaps

(c) Option values
- Value of a call option
- Value of a put option
- The Black Scholes option pricing model
- The binominal option pricing model
- Real option pricing

C4. Finance and taxation

1 Public finance and accountability

(a) Evaluate and explain generally the application of IFAC Public Sector Accounting Pronouncements and their relationship with IFRS

(b) Evaluate and explain the difference between the use of the cash and accruals bases of accounting under IFAC IPSAS

(c) State and explain the legal requirements for reporting in the public sector

2 Public finance and audit

(a) Evaluate and explain generally the application of ISSAI standards for assurance and audit and their relationship with ISA's

(b) Evaluate and explain generally in context the three ISSAI guidelines
- Financial audit
- Compliance audit
- Performance audit

(c) State and explain the legal requirements for audit in the public sector and the role of the Controller and Auditor General

3 Finance, taxation and public policy

(a) State and explain in context the concepts of governance in the public sector

(b) State and explain in context the role of value for money audit

(c) State and explain in context the issues for a government of tax collection, tax avoidance and tax evasion

4 Taxation law and practice

(a) Individual income tax – compile and calculate the taxation payable by an individual from

employment, investment and business sources, including benefits in kind and overseas income and losses

(b) Individual income tax – compile and calculate the taxation payable by an individual from partnership business sources, including overseas income and losses

(c) Corporate income tax – compile and calculate the taxation payable by an entity including listed entities and by its shareholders including capital gains and overseas trading and losses

(d) Depreciable assets – compile and calculate the depreciation allowances for depreciable assets

(e) State, explain and apply the rules governing amounts used in calculating the income tax base

(f) Tax accounting – compile and calculate the tax accounting and timing treatments

- Cash basis
- Accruals basis
- Reverse of amounts including bad debts
- Long-term contracts

(g) Quantification, allocation and characterisation of amounts

- Market value
- Indirect payments
- Joint investments
- Compensation and recovery
- Annuities, instalment leases and finance leases
- Transfer pricing issues
- Income splitting
- Tax avoidance arrangements

(h) State, explain and apply the rules governing amounts used in calculating asset and liability aspects of the tax base

- Central concepts
- Special rules

(i) State, explain and apply the rules applicable to retirement savings for individuals and funds

(j) Customs duties and charges – compile and calculate the amounts of duties and charges payable upon the import and export of goods and services in common business situations

(k) VAT – compile and calculate VAT payable or receivable for individuals and entities in common business circumstances

(l) Stamp duty – compile and calculate stamp duty payable by individuals and entities

(m) State and explain the tax payment procedures for individuals and corporations stating in respect of tax computed when payment shall be made

(n) State and explain how income tax may be payable based on returns or assessments for individuals and corporations

5 Tax administration

(a) Explain and advise on the processes, regulations and operation of the tax administration process including

- The role of The Commissioner
- Documentation and registration
- Audit and information collection

- Interest and penalties
- Offences
- Recovery of tax
- Third party liability
- Proceedings
- Refunds

6 Elements of tax planning

Advise individuals and corporations in a local and international context regarding their circumstances to take advantage of ethical tax planning opportunities.

7 International aspects of taxation

Advise individuals and corporations in a local and international context regarding suitable arrangements to conduct business from a tax perspective

8 Ethical issues in the public sector and tax practice

- State and explain in context the IFAC Ethical Code guidance for professional accountants providing taxation services
- State and explain in context how the provision of taxation services creates self-review and advocacy threats
- Explain in context how the fundamental principles of integrity, objectivity, professional competence and due care, professional behaviour and confidentiality apply when providing taxation services
- State and explain in context the nature of and difference between tax avoidance and tax evasion
- State and explain in context the tax administration provisions relating to Tax Consultants in The Income Tax Act
- State and explain in context the code of ethics and conduct for public services

The National Board of Accountants and Auditors in Tanzania
The National Accountancy Examination Scheme, Stage II

This is currently a framework for development and population with the objective of implementation in November 2016.
The key differences between this and the stage one syllabus are:

- Raising of competence levels across the syllabus levels
- Creation of an integrated case study at the final level

The Professional Syllabus

21 Contents

22 Overview

23 Knowledge and skills level

24 Skills, analysis and communication in context level

25 Professional analysis, application, evaluation, advisory and communication level

26 Integration of business and professional ethics

27 Minimum entry requirements

28 English and numeracy

29 Recognition of qualifications for exemption

30 Pass marks

31 Registration and exam entry

32 Fees

33 Teaching and learning

34 Results

35 Other exam regulations

36 Appendices

36.1 Syllabus specifications

36.1.1 Knowledge and skills level

A1. Quantitative techniques

A2.Business and management

A3. Business information

A4. Accounting

A5. Business law

36.1.2 Skills, analysis and communication in context level

B1. Financial management

B2. Financial accounting

B3. Auditing principles and practice

B4. Tax and public finance

B5. Performance management

B6. Management, governance and ethics

36.1.3 Professional analysis, application, evaluation, advisory and communication level

C1. Reporting

C2. Assurance

C3. Business and corporate finance

C4. Finance and taxation

C5. Final qualifying integrated paper