

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



**TECHNICAL PRONOUNCEMENT NO.2 OF 2009**

**SCOPE OF APPLICATION OF THE INTERNATIONAL PUBLIC SECTOR  
ACCOUNTING STANDARDS (IPSASs)**

Tanzania decided to adopt in full International Accounting and Auditing Standards since July 2004. However, there has been confusion on the application of either International Public Sector Accounting Standards (IPSASs) or International Financial Reporting Standards (IFRSs) in Public Sector. The Board would like to clarify and inform the Accounting Profession and the public in general that the International Public Sector Accounting Standards are designed to apply to the general purpose financial statements of all public sector entities. Public sector entities include ministries, regional governments, government departments, agencies and local government provided that they are not Government Business Entities (GBEs). GBEs apply International Financial Reporting Standards (IFRSs) which are issued by the International Accounting Standards Board (IASB).

The International Public Sector Accounting Standards Board (IPSASB) defines a Government Business Entity (GBE) as an entity that has all of the following characteristics:

- (a) Is an entity with the power to contract in its own name;
- (b) Has been assigned the financial and operational authority to carry on a business;
- (c) Sells goods and services, in the normal course of its business, to other entities at a profit or full cost recovery;
- (d) Is not reliant on continuing government funding to be a going concern (other than purchases of output at arm's length); and
- (e) Is controlled by a public sector entity.

All public entities with the above mentioned attributes should apply IFRSs.

The Board would also like to inform all Non - GBEs and the public in general that there is a move towards converging IPSASs to IFRSs in the future. Therefore, Non – GBEs using IFRSs are encouraged to continue with IFRSs.

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