

(NBAA)



---

**THE NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS**  
**TANZANIA**

---

TEL NOS: +255 26 2963318-9  
E-MAIL: info@nbaa.go.tz  
WEBSITE: www.nbaa.go.tz

NATIONAL AUDIT OFFICE "AUDIT HOUSE",  
8<sup>TH</sup> FLOOR, 4 UKAGUZI ROAD,  
P. O. BOX 1271,  
41104 TAMBUKARELI,  
DODOMA, TANZANIA

**Date:** 25<sup>th</sup> October, 2021

Chief Executive Officer,  
International Federation of Accountants,  
International Public Sector Accounting Standard Board,  
529 5th Avenue  
New York, New York 10017.

Dear Sir/Madam

**RE: COMMENTS ON EXPOSURE DRAFT 77 – MEASUREMENT**

Refer to the heading above.

In principle, we are supportive with all of the proposals in ED 77, however, with the following issue entailed below additional help is expected to be brought about by the Board:

**Specific Matter for Comment 1:**

Do you agree an item that qualifies for recognition shall be initially measured at its transaction price, unless:

- That transaction price does not faithfully present relevant information of the entity in a manner that is useful in holding the entity to account, and for decision-making purposes; or
- Otherwise required or permitted by another IPSAS?

If not, please provide your reasons, stating clearly what principles are more appropriate, and why.

*Yes: We do agree with the proposals recognition principles.*

**Specific Matter for Comment 2:**

Do you agree after initial measurement, unless otherwise required by the relevant IPSAS, an accounting policy choice is made to measure the item at historical cost or at its current value? This accounting policy choice is reflected through the selection of the measurement model.

If not, please provide your reasons, stating clearly what principles are more appropriate, and why.

*Yes: We do agree with the proposed principle.*

**Specific Matter for Comment 3:**

In response to constituents' comment letters on the Consultation Paper, *Measurement*, guidance on historical cost has been developed that is generic in nature (Appendix A: Historical Cost). Do you agree the guidance is appropriate for application by public sector entities?

If not, please provide your reasons, stating what guidance should be added or removed, and why.

*Yes: We do agree with the proposal because it covers public sector specific circumstances.*

**Specific Matter for Comment 4:**

Do you agree no measurement techniques are required when applying the historical cost measurement basis in subsequent measurement?

If not, please provide your reasons, stating which measurement techniques are applicable to the subsequent measurement of an asset or liability measured at historical cost, and why.

*Yes: We do agree with the proposal.*

**Specific Matter for Comment 5:**

Do you agree current operational value is the value of an asset used to achieve the entity's service delivery objectives at the measurement date?

If not, please provide your reasons, stating clearly what principles more appropriate for the public sector, and why.

*Yes: We do agree with the proposal.*

**Specific Matter for Comment 6:**

Do you agree the proposed definition of current operational value and the accompanying guidance is appropriate for public sector entities?

If not, please provide your reasons, stating clearly what definition and guidance is more appropriate, and why.

*Yes: We do agree with the proposed definition.*

**Specific Matter for Comment 7:**

Do you agree the asset's current operational value should assume that the notional replacement will be situated in the same location as the existing asset is situated or used?

If not, please provide your reasons, stating clearly why the asset should be measured at a different value.

*Yes: We do agree with the proposal.*

**Specific Matter for Comment 8:**

Do you agree the income approach is applicable to estimate the value of an asset measured using the current operational value measurement basis?

If not, please provide your reasons, stating clearly why the income approach is not applicable for measuring current operational value.

*Yes: We do agree with the proposed approach.*

**Specific Matter for Comment 9:**

In response to constituents' comment letters on the Consultation Paper, *Measurement*, guidance on fair value has been aligned with IFRS 13, *Fair Value Measurement* (Appendix C: Fair Value). Do you agree the guidance is appropriate for application by public sector entities?

If not, please provide your reasons, stating what guidance should be added or removed, and why.

*Yes: We do agree that the guidance is appropriate for application by public sector entities.*

**Specific Matter for Comment 10:**

In response to constituents' comment letters on the Consultation Paper, *Measurement*, guidance on cost of fulfillment has been aligned with existing principles in the Conceptual Framework and throughout IPSAS (Appendix D: Cost of Fulfillment). Do you agree the guidance is appropriate for application by public sector entities?

If not, please provide your reasons, stating what guidance should be added or removed, and why.

*Yes: We do agree that the guidance is appropriate for application by public sector entities.*

**Specific Matter for Comment 11:**

Do you agree measurement disclosure requirements should be included in the IPSAS to which the asset or liability pertains and not in ED 77?

If not, please provide your reasons, stating clearly where the measurement disclosure requirements should be included, and why.

*Yes: We do agree with this proposal, but we are of the view that for general disclosures related to measurement should be outlined in this standard and for the specific disclosure related standard can elaborate them in related specific standard.*

**Specific Matter for Comment 12:**

Are there any measurement disclosure requirements that apply across IPSAS that should be included in ED 77, *Measurement*?

If yes, please provide your reasons, stating clearly what the disclosures are, and why.

*No additional measurement disclosures.*

**Specific Matter for Comment 13:**

Do you agree current value model disclosure requirements should be applied consistently across IPSAS? For example, the same disclosure requirements should apply to inventory and property, plant, and equipment when measured at fair value.

If not, please provide your reasons, stating clearly which IPSAS require more or fewer measurement disclosures, and why.

*Yes: We do agree with the proposal for current value model disclosure requirements.*

**Specific Matter for Comment 14:**

Do you agree with the proposal disclosure requirements for items remeasured under the current value model at each reporting date should be more detailed as compared to disclosure requirements for items measured using the current value model at acquisition as proposed in Appendix E: Amendments to Other IPSAS?

If not, please provide your reasons, stating clearly why disclosure requirements should be consistent for recurring items and non-recurring items measured using the current value model.

*Yes: We do agree with the proposal as this will help enhance better understanding of the fair value obtained.*

**Specific Matter for Comment 15:**

Do you agree fair value disclosure requirements should include requirements to disclose inputs to the fair value hierarchy?

If not, please provide your reasons, stating clearly why disclosure requirements for inputs in the fair value hierarchy are unnecessary.

*Yes: We do agree with the proposal as it is important and appropriate for public sector entities.*

If you require any clarification on our comments, please contact the undersigned.

Thank you in advance for your cooperation.

Yours sincerely,



CPA Angyelile V. Tende

**For: EXECUTIVE DIRECTOR**



Member of International Federation of Accountants (IFAC) & Pan African Federation of Accountants (PAFA)



*All communication to be addressed to the Executive Director NBAA*

NBAA Dar es Salaam Branch: Mhasibu House, Bibi Titi Mohamed Street,  
P. O. Box 5128, Dar Es Salaam, Tanzania Tel: +255 22 2211890-9