



JUNE 2025 EXAMINATIONS

CHIEF EXAMINERS REPORTS

PSFM

## **SUBJECT: PFM 6: FINANCIAL REPORTING FRAMEWORK FOR PUBLIC SECTOR ENTITIES**

### **QUESTION ONE**

The general performance on this question was excellent. The only candidates that attempted the question achieved a pass (that is a score of at least 25 out of 40 marks), representing a pass rate on the question of 100%.

This was a compulsory question with two (2) parts (a) and (b).

Part (a) (i) required candidates to prepare statement of Financial Performance for Lavushimanda University for the Financial Year ended 31 December 2023.

Part (a) (ii) required candidates to prepare Statement of Financial Position for Lavushimanda University as at 31 December 2023.

Part (b) required candidates to explain how each of the listed transactions (i) to (v) in the scenario would affect the qualitative characteristics of financial information of the entity.

Part (a)

(i) The question was well managed, and most marks were scored by the candidate from this part of the question.

(ii) There were, however, a few errors on allocation of receipts and payments.

In part (b), candidates struggled to precisely connect the matters raised to qualitative characteristics.

### **QUESTION TWO**

The general performance on this question was excellent. The only candidates that attempted the question managed to obtain at least 12 marks out of a total of 20 available marks. A pass rate of 100% was recorded.

This was an optional question with two parts (a) and (b).

Part (a) required candidates to discuss conditions for smooth transition from cash basis accounting to accrual accounting.

(i) The performance on it was fair.

Part (b) required candidates to provide their response to a memo from the minister on the listed topics below in which briefing notes were sought:

- (i) Qualitative characteristics of financial information.
- (ii) The bases of measurement of public sector assets.
- (iii) The Statutory Rules of Internal auditors in the public sector.

- (i) The candidate lost easy marks on this as they were not so well informed on the topic area.
- (ii) The candidate made a good attempt though the number of points brought out were not commensurate with the available marks and as such failed to get full marks.
- (iii) Candidate had a challenge with (ii), The Bases of Measurement of Public Sector Assets and (iii), The Statutory Rules of Internal Auditors in the public sector. This was not handled well as the candidate could not bring out the expected points to obtain full available marks
- (iv) Knowledge gaps, however, were noticed from the way issues were articulated.

### **QUESTION THREE**

This question was not attempted by only the candidate at this sitting and therefore no comment on the candidate's performance.

This was an option question with two (2) parts (a) and (b).

Part (a) required candidates to state and explain the conditions under which a grantor can recognize service concession assets.

Part (b) required candidates to explain any information that the grantor shall present and disclose in the financial statements.

### **QUESTION FOUR**

The general performance on this question was excellent. The only candidates that attempted the question managed to obtain at least 14 marks out of a total of 20 available marks. A pass rate of 100% was recorded.

This was an optional question with two parts (a) and (b).

Part (a) required candidates to explain the information needs of primary users of general-purpose financial reports.

Part (b) required candidates to discuss how general-purpose financial reporting supports accountability and decision making in the public sector.

- (i) The question was generally fairly attempted by the candidate with few knowledge gaps noticed in a few theoretical aspects.
- (ii) Candidates had challenges with part (b) explaining how GPFRs support accountability and decision making in the public sector. Instead, the candidate explained what GPFRs were.

## **QUESTION FIVE**

The general performance on this question was very poor. The only candidates that attempted the question managed to obtain at least 5 marks out of a total of 20 available marks. A failure rate of 100% was recorded.

This was an optional one-part question.

You are approached by the board chairperson to explain to other members of the governing body the main elements of IPSAS 20 Related Party Disclosures and how the standard would be applied in this arrangement? "A public sector entity has a governing body of 12 members. The members are not remunerated but are each paid a 'per diem' of ZMW 3,000 to cover their expenses".

This was the worst performed question by the candidate. The candidates failed to exhibit a good understanding of the main elements of the IPSAS 20 Related Party Disclosures and as such failed to bring out the points as required by the question.

The candidate exhibited very little or no understanding of the subject matter.

Future candidates are required to cover the entire syllabus in order to adequately prepare for this examination.

### **Overall performance of candidates**

Mark obtained in this paper: 56%

Overall pass rate in this paper: 100%