



THE 2019 INTERNAL AUDITORS' CONFERENCE

**OPENING REMARKS BY THE SECRETARY AND CHIEF EXECUTIVE
MR. BONNA KASHINGA AT THE 2019 INTERNAL AUDITORS'
CONFERENCE HELD AT DAVID LIVINGSTONE SAFARI LODGE,
LIVINGSTONE ON THURSDAY 29TH AND FRIDAY 30TH AUGUST 2019.**

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- **THE VICE PRESIDENT, INSTITUTE OF
INTERNAL AUDITORS, MR. THOMAS
KAUNDA**
- **CHIEF AUDIT OFFICERS**
- **CHIEF COMPLIANCE OFFICERS**
- **CHIEF RISK OFFICERS,**
- **DISTINGUISHED SPEAKERS,**
- **DISTINGUISHED PARTICIPANTS,**
- **LADIES AND GENTLEMEN,**
- **MEMBERS OF THE PRESS,**
- **GOOD MORNING!!**

It is my honor to welcome you all to the 2019 Internal Auditors Conference and I trust that you all travelled safely from your respective stations. Allow me to thank our speakers who will be sharing their expertise and insights on the topics lined up for the conference under the theme ***“Understanding an Organisation’s Key Risks and Proactively Identifying Emerging Risks in Order to add Value to an Organisation.”***

The theme and this conference is purposely designed to provide a platform for Internal Auditors to share innovative ideas and insights on business uncertainties arising from different disruptive forces.

Ladies and Gentlemen,

ZICA recognizes the Internal Audit function as one of the fundamental “checks and balances pillars” for

sound corporate governance and business prosperity. Reading through the various newspapers and social media platforms, tells a story that fraud, theft and corruption are among the greatest unmanaged commercial risks of today. I need not go into the infamous high profile cases of thefts that have been happening in the Banking Industry such as the cloning of the automated teller machine cards and financial irregularities in the public sector as in the 2017 Auditor General's Report. One would want to ask if Internal Auditors are doing enough to assist the boards and management charged with governance in implementing fraud prevention strategies as an integral part of organisations' core values.

Ladies and Gentlemen,

It is important that in the midst of these challenges internal audit executives must take more proactive, action-oriented approaches to all kinds of risks facing organisations. This calls for continuous vigilance, creative thinking and acquisition of new skills to cope with shifting dynamics of the business landscape in order for internal auditors to remain relevant in modern business dispensation as the Audit function plays a crucial role in the enhancement of good public and private sector governance.

More than ever before, a robust and objective internal audit function, is essential to match the increasingly, complex and technologically advancing world where organisational progress and reputation are easily upset by shifts in value systems. The intent of personal and organisational progress while noble has sometimes challenged established governance

structures and value systems. Recent public reports of corruption, tax evasion and money laundering as revealed by the Financial Intelligence Centre Trends Report 2018 reveals the results of improper balance between appetite for personal gain and value systems. This is a clear manifestation of the agency problem existing between those entrusted with the fiduciary stewardship over resources in both the public and private sector entities.

In the public corporations, the scourge continues to manifest itself through organisational failures and distress causing unwarranted distress to all stakeholders. While managers are hired to run the company in line with shareholders' interests, there is no guarantee that they will not pursue their own private interests at the expense of shareholders when there are no strict operational guidelines and

continuous monitoring. To strengthen governance and safeguard the interests of all the stakeholders, the Internal Audit function should be strengthened to enable entities to self-reflect and renew their commitments on the journey towards their strategic goals.

Ladies and Gentlemen,

We are living in an era of the digital revolution where automation, artificial intelligence, big data and data analytics are now a norm with significant impact on how organisations operate and serve their customers. The Internal Audit function is now placed at the crossroads where it is incumbent on the function to adopt technology in delivering the assurance and consulting mandates within the various organisations they exist in. However, digital technology can never

be a replacement for the human factor. The human element is one of the most critical risks to any organisation. Organisations rarely fail because systems fail, but often because human values fail. For organisations, even those that cannot install state-of-the-art technologies, establishing the right culture characterized by attitudes, beliefs and behaviours consistent with their aspirations is the right place to start. Even though technology adoption is a priority, organisation culture is predominantly attributed to the success or failure of a company.

As such, we must all take cognizant of the fact that the most effective control system is nurturing an ethical culture among employees. These values determine whether an entity achieves its vision, maintains good reputation, brand value and maintains the loyalty of its customers. This culture facilitates

natural compliance with laws, procedures and regulations. As much as it may require organisations to invest in complex controls, even small entities can still extract the most benefits from simple tools such as well designed and implemented employee code of conduct.

Ladies and Gentlemen,

As I conclude, it is my sincere hope that you will network during the two days of this important conference and share experiences that will benefit the profession at large.

It is now my honour and privilege to officially open the 2019 Internal Auditors' Conference.

May the Almighty God bless us all at this Conference!

I THANK YOU.