



ZiCA

Competence, Integrity and Virtue

Zambia Institute of Chartered Accountants

PRESIDENT'S ANNUAL REPORT FOR 2019

35th Annual General Meeting
Falls Park Mall, Livingstone
17th October 2020

OUTLINE

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- CORPORATE SOCIAL RESPONSIBILITY,
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- ACHIEVEMENTS,
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INTRODUCTION

The highlights in this presentation are based on the activities undertaken during the period under review in line with the 2019 -2023 Strategic Plan as approved by Council.

ECONOMIC PERFORMANCE

- Real GDP Growth declined to 2.0% in 2019 from 4.0% in 2018,
- Inflation increased to an estimated 11.7% in 2019 compared to 7.9% in 2018,
- In real terms, the Kwacha depreciated by 9.4% against a basket of major trading partner currencies in 2019,
- As a ratio of GDP, Government external debt stood at 50.2% in 2019 compared to 37.5% in 2018.

OPERATIONAL REVIEW

FINANCIAL HIGHLIGHTS

- **INCOME:** total income for the year was ZMW 48.301 million (2018: ZMW 45.343 million),
- **EXPENDITURE:** total expenditure for the year was ZMW 44.373 million (2018:ZMW 41.031 million),
- **SURPLUS:** total surplus for the year was ZMW 3.928 million (2018: ZMW 4.311 million).

OPERATIONAL REVIEW

OPERATIONAL HIGHLIGHTS

MEMBERSHIP

- **Full members:** Retained members for 2019 were 6,199 representing a retention rate of 93% of the 6,640 that subscribed in 2018. For 2019, new registrations stood at 710, giving a closing figure of 6,908,
- **Group Life:** A group life assurance plan with Prudential Life was implemented for members,
- **Public Practicing members:** 145 for Audit and 32 for Non-Audit for 2019 compared to 139 for Audit and 29 for Non-Audit in 2018,

OPERATIONAL REVIEW

OPERATIONAL HIGHLIGHTS

PARLIAMENTARY SUBMISSIONS

2019 submissions included the following among others:

- The ramifications of the proposed Tax Legislations,
- The Constitution of Zambia (Amendment) Bill 2019,
- The Budget Estimates for the 2020 Fiscal Year,
- The effects of Trade Balance Deficit and High Debt Stock on the performance of the Budget.
- The review of Operations and Management of ZCCM IH and ZAMTEL Limited

OPERATIONAL REVIEW

OPERATIONAL HIGHLIGHTS

CONTINUOUS PROFESSIONAL DEVELOPMENT (CPD) EVENTS

Held CPD events including among others:

- Tax and Accounting Standards Updates workshops,
- IPSAS workshop,
- Accountants Forums,
- Practitioners Forum and Internal Auditors Conference,
- Corporate Insolvency Practitioners workshop,
- Chief Finance Officers Forum.

OPERATIONAL REVIEW

OPERATIONAL HIGHLIGHTS

QUALITY OF EDUCATION AND TRAINING

- Revision of entry requirements for entry to CA Zambia and Diploma Programmes,
- Introduction of Block release and Introduction of Additional Examination Sessions,
- Introduction of Flexible payments and Examination Technique videos,
- Diploma in Accountancy, Diploma in Taxation, Diploma in PSFM were registered and Accredited by ZAQA. The CA Zambia registration and Accreditation was still on going,
- Taxation Manuals and Revision Kits were updated. DA 8 Financial Reporting Manual and Revision Kit were also updated to enhance content to the level of CA2.1 Financial Reporting.

OPERATIONAL REVIEW

OPERATIONAL HIGHLIGHTS

STRENGTHENING THE ZICA BRAND

- Provided Awards to study the CA Zambia programme to 7 University graduates from 7 Universities,
- Participated in the One Young World (OYW) Summit for young leaders held in London in October 2019,
- Promoted all the ZICA qualifications through the Print, Television, Radio and social media platforms including face to face stakeholder engagements,
- Held Quarterly Press Briefings on Matters of National Interest

OPERATIONAL REVIEW

OPERATIONAL HIGHLIGHTS

DEVELOPMENT OF STANDARDS

- The Institute issued a Practice guidance to members on the audit rotation rules
- The Institute issued a notice to listed Companies and Public Sector organisations on the appointment of Accountants to the Audit Committees and the work of Internal Auditors.

EMPLOYER SENSITISATION

- The Institute conducted a total of 93 employer visitations and inspections
- The Institute also carried 24 audit-monitoring reviews, out of which 1 was a medium sized firm and 23 were small firms.
- Overall the reports indicated that the quality of audit work has continued to improve.

OPERATIONAL REVIEW

OPERATIONAL HIGHLIGHTS INVESTMENTS

- The Institute signed a development partnership agreement with Time Projects Property (Zambia) Limited for the development of a Multi-use facility at the Accountants Park.
- The Institute received an indicative financing proposal for the proposed SNICC in Livingstone from the China Construction Bank Corporation. The Bank required a sovereign guarantee from the Ministry of Finance.
- The Institute commissioned the Environmental Impact Assessment (EIA) in 2019 and held the scoping and disclosure meetings.
- The EIA report was submitted to ZEMA, which has issued the Institute with a quotation for statutory review fees before granting a decision letter.

COLLABORATION WITH STAKEHOLDERS

STAKEHOLDER ENGAGEMENT

Some of the notable strategic partnership the Institute signed in the year under review included:

- Memorandum of Understanding with Financial Intelligence Centre (FIC) that commits the two organisations to increased collaboration,
- A Memorandum of Understanding with the Bank of Zambia (Central Bank) that allows the two institutions to collaborate on matters of common interest.
- A Mutual Recognition Agreement (MRA) between the competent authorities of professional accountants and auditors under the Accelerated Programme for Economic Integration (APEI).

COLLABORATION WITH STAKEHOLDERS

STAKEHOLDER ENGAGEMENT CONT'D

Partnership with Industry on Practical Training

- The Institute signed thirty nine (39) MoUs with employers

Chartered Accountant Worldwide (CAW)

- The Institute continued to be an Associate Member of CAW.

CORPORATE SOCIAL RESPONSIBILITY

SUPPORTING THE VULNERABLE IN SOCIETY

The Institute strives to be a good corporate citizen in all areas where it operates.

- As a way of commemorating the 2019 International Women's Day, the Zambia Institute of Chartered Accountants (ZICA) Women, on Thursday 7th March, 2019 donated assorted items to the Theresa Heart Foundation in George Compound of Lusaka district.

CORPORATE GOVERNANCE REPORT

- The Institute followed the good tenants of Corporate Governance,
- The Council and its Committees met quarterly,
- Council continued to make policy decisions on the affairs of the Institute,
- The day-to-day running of the Institute was delegated to Management.
- Subsequent to the year end, for the first time ever, an appraisal of the Council's performance was conducted, facilitated by an independent consultant.

ACHIEVEMENTS

- Introduction of quarterly press briefings, which raised the profile of ZICA and enhanced its status as a trusted adviser to Government
- Withdrawal of the proposed controversial Sales Tax Amendment Bill and reinstatement of VAT
- Enhanced provisions in the Accountants Bill 2019
- Finalisation of the client service fees regulations, albeit the subsequent withdrawal of the statutory instrument.
- Signing of the property development agreement with Time Projects.
- Operationalisation of the ZiCA Property Fund.
- Enhancement of member benefits with Prudential Life.
- Introduction of self-appraisal of the Council and its Committees' performance facilitated by an independent consultant.

ACKNOWLEDGEMENTS

Notwithstanding the above, a number of challenges still remain, which I trust will be addressed by the incoming President and Council. These include making our qualifications the undoubted first choice for students, as well as having traction on the various property development projects. These, and other matters, will be covered in my handover notes to the incoming President.

CONCLUSION

I would like to sincerely thank the former ZICA Presidents, Council members, senior members, Management and Staff, the general membership, and indeed all other stakeholders for the unwavering commitment and support rendered to the Institute in the period under review and over the three years (3) that I have served as President.

THANK YOU