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Competence, Integrity and Virtue
Zambia Institute of Chartered Accountants

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IPSAS: RACING AGAINST TIME, POLITICAL WILL

Cecilia Zimba
ZICA PRESIDENT

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With its emphasis on transparency and accountability, there will be politically sensitive issues that the implementation of accrual accounting IPSAS will need to identify and address

IN 2018, the Zambia Institute of Chartered Accountants (ZICA) issued an accounting pronouncement to give guidance on the applicability of accrual basis International Public Sector Accounting Standards (IPSAS) in Zambia. By now the majority of accountants and members of the Institute are familiar with this term, IPSAS.

IPSAS are public financial management tools underpinning revolution of Government accounting in "direct response to demands for greater accountability and transparency in public financial management. IPSAS were formulated as an effective way to enhance accountability and transparency of public sector financial reporting.

According to the World Bank, (2013), adoption of high quality accounting standards is essential for transparent financial reporting, strong accountability and good governance.

The Accountants Act of 2008 mandates the Zambia Institute of Chartered Accountants (ZICA) to develop, promote and enforce internationally comparable practice standards in Zambia. Against this backdrop, the Institute fully supports the adoption of accrual IPSAS as the financial reporting framework in Government. The Institute has confidence in the adoption of IPSAS in Zambia because it will create positive impact on public financial management, operating procedures and reporting practices. This will in turn strengthen good governance and relations between the Government and the governed.

To raise awareness on IPSAS and increasing the skill base, the Institute has since 2010 been conducting annual IPSAS workshops for public sector accountants. In addition, the Institute has developed a diploma course in Public Financial Management to bridge the training gap in public sector accounting. The Institute has also been leading efforts in enhancing financial management in local Governments as well as collaborating with the office of the Accountant General in implementation of accrual based IPSAS in the country.

It is worth noting that the Zambian Government eight years ago, in 2013, made an undertaking to adopt IPSAS as its reporting framework by 2020 as part of its public finance management reform (Ministry of Finance, 2013). Specifically, it has indicated that Government Ministries, Provinces and Spending Agencies will have to use IPSAS for financial statements for periods ending on or after 31 December 2024, while early adoption is encouraged. The coverage includes Central Government, Grants assisted entities, Local Authorities and related Government entities such as Agencies, Boards, Commissions and Not for Profit Organisations.

It follows that in less than two years the Zambian Government will fully adopt IPSAS. Therefore, accountants are expected to make informed decisions about resource utilisation, and improved financial information to support governance and decision-making.

Whereas the support and leadership on the IPSAS implementation project by key stakeholders is key, the additional involvement of senior political leadership in this process is desirable, if it is to be successful.

Research on the subject has shown that countries that have successfully implemented IPSAS were backed by strong political will and wider stakeholder engagement. With its emphasis on transparency and accountability, there will be politically sensitive issues that the implementation of accrual accounting IPSAS will need to identify and address.

IPSAS implementation will also entail consolidation of all Government assets and liabilities, including military and other sensitive installations. It will also require harmonisation and review of existing legislations to ensure that there is a legal basis for preparing accruals accounts and for requiring them to be audited by the Auditor General. Therefore, ensuring there is political buy-in across the board early in the project is important. It is thus our expectations that the full wings of Government will get involved and have a full understanding of the IPSAS implementation project.

Cecilia Zimba
ZICA PRESIDENT

EQUITY AND INCLUSIVENESS FOR POSITIVE CHANGE

IT IS ONCE again a great privilege to present this message to accounting professionals in this first issue of the Accountant Journal for 2021. To begin with, I would like to thank you all for the wonderful support you provided to the Institute throughout the year 2020. Without your support, it would be impossible to record successes on a number of our desired goals for the Institute. I must reiterate that the Institute continues to keep an open door policy to all its stakeholders to contribute positively to the development of the Institute and foster achievement of its core mandate. In the spirit of promoting equity and inclusiveness, I urge all of you to respond to the call from the Institute for your submissions on matters that affect the profession and the country at large. I would like to inform you on some of the key activities the Institute has undertaken in the first quarter of the year 2021.

You may wish to know that the Zambia Institute of Chartered Accountants (ZICA) has been participating in the trade in services working group to specifically negotiate on the movement and mutual recognition or otherwise of finance professionals within countries in Africa. These meetings are aimed at defending the position of countries amidst the free movement of various professionals being advocated for by Africa Continental Free Trade Area (ACFTA). Even if full market access by professionals is the ideal under ACFTA, countries still need to retain some form of regulation to safeguard their markets.

The idea is to have a fully integrated African Union (AU) and help the continent harmonise reciprocal treatment of professionals who move from one country to the other in Africa. As an Institute, we will continue to participate in further engagements being coordinated by the Ministry of Commerce, Trade and Industry to safeguard the integrity of the accountancy profession in Zambia. The Institute would like to emphasise the need for professionals and the country at large to prepare for a wider market and the competition that comes with it.

I wish to commend the Government of the Republic of Zambia for taking a bold decision to ratify the African Continental Free Trade Area (ACFTA). The ratification of the agreement will enable the country to have access to a larger market and to harmonise trade instruments across the continent's regional economic communities. This has also the potential to generate a range of benefits through supporting trade creation, structural transformation, productive employment and poverty reduction.

Colleagues, may I take this opportunity to inform you that the Institute is resolved to actualise its digital transformation agenda as enshrined in the 2019-2023 strategic plan to achieve operational excellence and uphold highest levels of service to members and students through improving its interactions with key stakeholders in the delivery of its services.

Bonna Kashinga
ZICA CEO

World over, digital transformation in service delivery is creating a world of difference by rethinking the digital tools that can be used in delivering a satisfactory service to members and students. The Institute is fully aware that digital tools are driving new levels of collaboration and innovation to create outstanding service provision hence providing exciting new opportunities, maximising efficiencies, increasing collaboration and reducing costs.

In view of the foregoing, I am indeed happy to inform you of the introduction of electronic versions of Study Manuals and Revision kits for the CA Zambia and the Diploma in Accountancy qualifications. Students can now have all of their learning materials in the palm of their hands, increasing portability of materials and mitigating the challenges faced in acquiring physical copies. The e-books are hosted online by Kitaboo, an award-winning platform which allows students to access interactive, mobile-friendly content whenever they want and wherever they are in the world.

The Institute continues to make positive strides at ensuring that members have access to world-class professional development and certifications that are progressive and enhance the professional knowledge and skills. ZICA has collaborated with renowned institutions such as the Association of International Certified Professional Accountants (AICPA) which brings to you professional development content at discounted rates. The Institute also has signed MoUs with Celsoft, Northline Training Company and Corporate Finance Institute (CFI) to provide various short courses. The short courses offered through these partner institutions are aimed at providing members and other interested parties with up-to date skills in Financial Modelling, Soft skills, Data Analysis and Dashboard reporting. The partnership with CFI, in particular, consists of e-learning courses in Financial Modelling and Valuation Analyst (FMVA) Certification programme.

We are pleased to indicate that on 1st March 2021, ZAQA registered and accredited the exit qualifications linked to the CA Zambia programme as follows: CA Certificate in Accountancy at Level 4 Certificate, CA Application Advanced Diploma in Accountancy at Level 7 Bachelor's Degree qualification type, CA Advisory Professional in Accountancy at Level 9 Master's Degree qualification type. The Chartered Accountant Zambia (CA Zambia) charter designation will be awarded to candidates upon the successful completion of the 3-year practical training programme post completion of the CA Advisory Professional in Accountancy qualification. This is indeed a positive milestone as students will now be able to receive exit qualifications upon completion of each level.

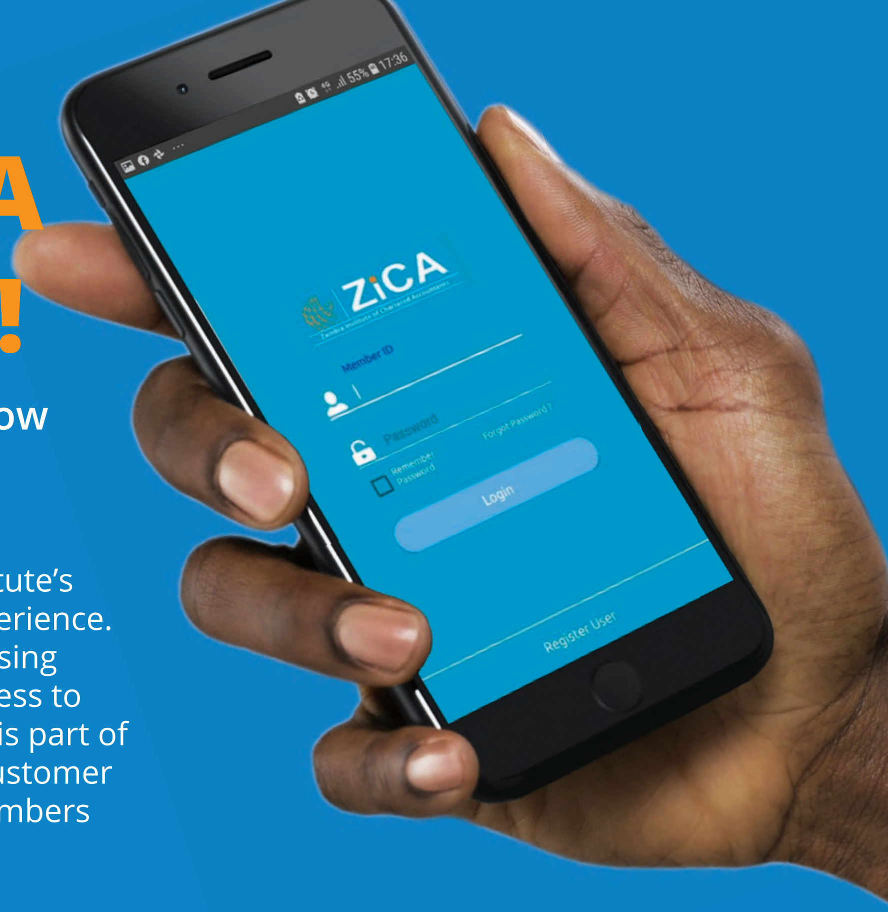
Lastly, the Institute launched the CA Zambia Ambassadors programme on Thursday, 11th March 2021 in Lusaka at Sandy's Creations. The CA Zambia Ambassadors Programme (CAZAP) is a prestigious leadership programme for CA Zambia qualified graduates and students who are dedicated to serving and representing the Institute. The mission of the CAZAP is to cultivate CA Zambia brand ambassadors who will share their CA Zambia experience with prospective students, their families, their communities and serve as agents of change in driving a good brand image. They will also assist in new student recruitment through marketing the CA Zambia qualification and perform special ambassadorial duties at various ZICA and non-ZICA events.

Thank you for your support and looking forward to your continued support.

Bonna Kashinga
ZICA Secretary and Chief Executive

GET THE ZICA MOBILE APP!

The ZICA mobile application is now available on Google Play Store



The Mobile Application is part of the Institute's strategy to redefine the membership experience. The App aims at responding to the increasing demand for convenience and quicker access to information. The introduction of the App is part of the institute's process to become more customer centric by responding to the needs of members and students.

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WHAT CAN YOU DO ON THE ZICA MOBILE APP?

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STRATEGIC MANAGEMENT AND LEADERSHIP: "WHERE TO FROM HERE?"

BUSINESS today is experiencing accelerated disruptions occurring in many industries underpinned by new technologies, new entrants, business models and a global pandemic. Leaders must be able to adapt to the increasingly complex nature of the challenges faced by their organisations. Today's leaders must have the training and understanding to think strategically, more systematically, think in much bigger, more complex ways – to connect the dots. Further, they require a skill set of a structured strategic management approach – that embraces strategy formulation, implementation and evaluation, and recognises the value of emergent (entrepreneurial) thinking – to make sense of a rapidly changing world (Sigurdson, 2018).

STRATEGIC MANAGEMENT APPROACHES

There are two distinct views for strategic management referred to as [1] analytical or rational approach and the [2] emergent approach.

The traditional approach to business strategy - the choices a leader makes about where and how to compete in order to achieve a company's goals is not well suited to this accelerated pace of change.

How so? 3 key elements of traditional strategic planning that are not serving us well to generate valuable actionable insights quickly enough to get results are as follows:

- Business strategy involves many teams and time-consuming gathering research and preparing formal presentations.
- Management teams review interim presentation, provide feedback and send the teams back to rework their presentation.
- Excessive quantification of unknown future outcomes often leads to strategic discussions that focus on debating financial assumptions, which delays strategic decisions.

HOW DO WE CIRCUMVENT THE UNCERTAINTY?

Arguably, classical strategy models are inherently unable to handle unexpected changes in the environment. Organisations are decision makers with bounded rationality and when faced with uncertainty, rationality would lead firms to form expectation based on past experience. It makes sense that most companies are not built to withstand disruptions like those that we have experienced in the last 60 years and to be successful, companies must be able to adapt to changing time even before a crisis strikes.

The limitations and impossibility of long term planning become clear. In response, there are pleas for more adaptable approaches to strategy that rely on trial and error and learning instead of planning. Mintzberg, 1994 "promotes an idea of strategy of learning and adaptation". To be clear, intentions and planning play a crucial role.

For Mintzberg, an organisation's actual strategy (its "realised strategy") is always a mix of what it planned (its "intended strategy") and the unexpected events in which it had to respond ("emergent strategy")

Strategy needs to be flexible so that it can respond to ever-changing circumstances. It also needs to be firmly grounded so that it serves as a reliable foundation for building and growing the organisation and for keeping the organisation steady in the challenging circumstances of a VUCA world.

BUSINESS MODELS

They depict "the content, structure and governance of transactions designed so as to create value through the exploitation of business opportunities" (Amit and Zott, 2010). Business models are also stories that explain how organisations work, including how they make money and how they deliver value to customers at an appropriate cost (Magretta, 2002). They answer Peter Drucker's questions: Who is the customer? What does the customer value? How do we make money in this business?

The business model is the way in which strategy is implemented. To distinguish between strategy and the business model, a business model is a description of how the business runs, while competitive strategy explains how you will do better than your rivals that could be offering a better business model but it can also be by offering the same business model to a different market.

It is imperative to reiterate that business model is not the same thing as strategy. Business models describe, as a system, how the pieces of a business fit together. However, they do not factor in one aspect of performance: competition. This is best dealt with by strategy.

Business model lays out which value chain activities to do. What is the underlying economic logic that explains how we define value to customers at an appropriate cost? A model must enable the company to gain competitive advantage and achieve growth and profitability. Profits tell you whether your model is working. If you fail to achieve the results you expected, you reexamine the model. There are two critical tests to show that the business model does not work - they fail either the narrative test (the story does not make sense) or the numbers test (the P&L does not add up).

WHAT IS STRATEGY?

There are many definitions of strategy. According to CIMA official terminology, corporate strategy is a course of action, including the specifications of resources required to achieve a specific objective. Another succinct one is strategy is an organisations unique way of sustainable value creation. Each word is a criterion to mark your strategy.

VALUE CREATION - your strategy expresses what value your organisation creates and for whom. Organisations primarily create value through their products and services.

SUSTAINABLE – strategy aims at value creation that is sustainable over time. Sustainable means in the first place that a strategy should be 1. Hard to copy or circumvented by others 2. You receive enough return for the value you create – that money, data or anything else that is valuable 3. Does not rely on too many resources that are easily depleted 4. Finally, to be sustainable a strategy needs to take into account the interests of important stakeholders such as customers, suppliers and employees.

UNIQUE – good strategy aims at doing something different from others. It should have some unique elements not necessary 100% unique.

STRATEGY IN ACTION

The current threats to existing business require transformative leadership. The bad news is that despite the disruption of technology, financial crisis, demographic shifts and other major forces, the leadership needle barely moved. Top among the many challenges is leaders thinking execution is strategy. They have no clear direction about where they wanted to go, yet they were certain of the modes of transportation to get them there!

How many times have you attended a strategic session that turns into an execution session? The strategy design lacks organisational level thinking from the onset. The discussion is rushed into talk of "how" and not the "what". The difference you will realise is concentrating on tactics not strategy. The "bigger picture around strategic stuff" is missing and all there is are "to do action lists". The strategic three questions that require pondering on and may prove invaluable are: a year from now, what do we want to be true that is not true now? Why is this important? What benefit will the company enjoy if you achieve this?

To achieve success, leaders must assume the roles of architect, steward or guardian of the strategy. These jobs cannot be outsourced, completed or scheduled. Effective strategy formulation concentrates action and resources on critical issues, gains commitment, provides rationale for allocation of resources, enhances communication and increases the chance of not just surviving but thriving.

Strategy is ongoing and an active process, that is lived by the organisation on a daily basis. It needs strategic thinkers. It is not an annual event. Strategy is not a document. It appears in what we do, in your organisations' processes, actions and routines.

In most organisations, you will find more people who understand how to run fast than people who can decide which race they should enter…more people with well-honed skills for producing results in the short run than visionary strategists. Certainly you need both to succeed, but most organisations are replete with those who can plug along (tactical "to do list") and lacking those who can plan ahead. The competition, however, is more likely to outmaneuver you strategically than to outperform you tactically. Senior leaders must understand the nature of strategy, embrace the changes it brings, set priorities for achieving what your competition cannot match and choose the right people to drive your vision. Only then will you outwit your rivals and claim your unique position (Henman, 2020).

BUSINESS ACUMEN

One of the skills required in leadership is business acumen. Having business acumen means understanding how your business operates, that all organisations must respond and adapt to change to remain sustainable and relevant, and that there is no such thing as a permanent or 'one-size fits all' business model, operational model, or organisational structure. If you are interested in moving up in an organisation, you need to understand what your organisation's competitive advantage is, threats to the organisation, what drives performance, how to compete against other organisations, leadership and consensus building, and change management. This knowledge helps a leader – particularly senior leaders – exercise good judgment and navigate effectively when making business decisions in increasingly complex and uncertain environments where solutions are rarely straightforward. To do this you will need to be familiar with and understand the fundamentals of strategic management theory and practice (Charles & Gareth 2013 et al).

Why? Because strategic management provides overall and purposeful direction to an organisation that is critical for long-term sustainable success.

DO YOU HAVE WHAT IT TAKES TO BE A LEADER?

Eric Beauden, in his article "Do you have what it takes to be an executive?" has given helpful guidance on leadership. A senior leader and other decision-makers – by definition, make decisions. But as a senior leader, you are no longer just making decisions for your team. You will now be responsible for weighing the organisation's strategy, execution capabilities and potential risks, and thinking not just about your personal success but about the organisation's overall performance. That shift in thinking – "from a singular to a 360-degree perspective of the organisation" is what differentiates senior leaders and executives:

"This means that, as a senior leader, you need to constantly find ways to connect different parts of the organisation, leverage new capabilities, and achieve something that linear thinking could not. You're what the military calls a force multiplier – someone who dramatically increases the effectiveness of a team. Your job is to create new value, disrupt your environment and push the limits. It's not for the faint of heart.

You are also starting with a blank canvas. When you are a manager or individual contributor, your goals are usually handed down to you and shared across your team. As a senior leader, your role is to paint a clear picture of where you want to take your team or organisation, and drive that vision with energy and conviction. You [and the leadership team] create the road map.

Still interested in becoming a leader? My advice is to start thinking like one."

ARE YOU A STRATEGIC LEADER?

Jessica, et al (2016) argue that most companies have leaders with the strong operational skills needed to maintain the status quo. But these organisations face a critical deficit: they lack people in positions of power with the know-how, experience, and confidence required to tackle what management scientists call "wicked problems." Such problems cannot be solved by a single command, they have causes that seem incomprehensible and solutions that seem uncertain, and they often require companies to transform the way they do business. Every enterprise faces these kinds of challenges.

Leadership is about setting direction and strategic objectives and goals for an organisation, and management is about the effective and efficient use of resources to pursue that direction and achieve those goals. Not surprisingly, adept leadership and management are inherently tied to strategic management theory and practice – responding to change, determining and setting strategic direction, and implementing, evaluating, and actively managing the strategy and day-to-day activities required to achieve the organisation's vision, mission, long-term objectives and short-term goals

The success of any organisation's strategic plan depends on two factors: ownership and accountability in execution of the plan, and the ability to learn what works in practice and be strategically and operationally flexible. The current pandemic, technology innovations, platform revolution, growing power of social media to influence customer behaviour and capital into aggressive startups are among the many forces that all require business leaders to adapt very quickly.

ARE YOU A STRATEGIC LEADER?

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ZAMBIA'S ECONOMIC RECESSION EXPECTED, FOR THE SECOND STRAIGHT YEAR

By Edward Bwalya Phiri

A CRITIC of the Roosevelt Administration in the US, Herbert Hoover, once warned against a fiscal expansion during the 1930s. And when the government embarked on an expansionary fiscal path, he remarked that, "We are now speeding down the road of wasteful spending and debt, and unless we can escape, we will be smashed in inflation."

Seemingly, Zambia too failed to heed Hoover's warning; and consequently failed to escape the upshot and was not only smashed by inflation and debt, but also ended the year 2020 with a negative economic growth. Daniel Hannan [2009] once posited that, "You cannot spend your way out of recession or borrow your way out of debt." And a well-known adage by an unknown author stipulates that, "The recession won't be over till we raise a generation that knows how to live on what they've got."

It is a settled economic principle that a fiscal expansion mostly results in budget deficit. And in order to finance the deficit, governments usually resort to unending borrowing that may lead to unsustainable debt levels. Further, the government may resort to printing more money, thereby pushing inflation up.

This write-up focuses on stagflation [recession-inflation], which Zambia is currently experiencing. Firstly, it is important to note that stagflation is a very dicey phenomenon because its constituent variables are considered to be antagonistic to each other. And any intervention aimed at addressing either of the two will consequently result in augmenting the other. Stagflation has dire consequences on the economy, among them are; low productivity, high unemployment rate, highly unstable commodity prices, slow growth of the economy and poor living standards, among others.

During the launch of the 2020 Economic Recovery Plan [ERP] on Thursday December 17, 2020, President Edgar Lungu affirmed the foregoing assertions, lamenting that, "…for developing nations like ours, encumbered by huge debts…millions of our people are barely surviving and our economy is at the moment battered and stretched… our resource envelop is thinning by the day." And according to the ERP report, "The economy in 2020 [was] projected to contract to – 4.2 percent…" and Mitimingi [2020] too reported that, "Zambian inflation quickened for the fourth straight month in December due to food prices…. Annual food inflation accelerated to 20.2% in December, a four-year high, from 16.8% a month earlier…. Prices growth has exceeded the central bank's target band of 6% to 8% for 20 months and is forecast to remain above the range for the next two years, according to Bank of Zambia."

It must be mentioned from the outset that it will be so challenging for the economy of Zambia to come out of recession this year especially; firstly because of the heightened inflation that is going to frustrate efforts to end recession. Secondly, because of the further deteriorating economic fundamentals; such as unemployment, debt distress and unsubdued fiscal deficit. Thirdly, because we are in an election year and everyone is bent on wining the elections at all cost, so little or no effort will be made to fix the economic situation. And fourthly, the COVID-19 pandemic is impacting the economy negatively.

Arising from the foregoing gloomy picture, one may be compelled to ask; what on God's green earth messed up the economy in the first place? And the simple answer is lack of fiscal prudence. According to Caesar Cheelo [2018], "Fiscal prudence stems from the economic philosophy of the political administration in government. Zambia took on a highly expansionary fiscal path in 2012...thus inevitably locked the then new government into a very ambitious infrastructure development programme, thus ushering in fiscal expansion."

And Mario Jales, a staff at the United Nations Conference on Trade and Development [UNCTAD], wrote that, "Zambia's macroeconomic performance deteriorated significantly after 2011. Annual GDP growth, which had peaked at 10.3 per cent in 2010, declined to 3.2 per cent in 2015. The current account surplus of 7.5 percent in 2010 reverted to a deficit 3.6 percent in 2015…. Nevertheless, fiscal accounts deteriorated sharply as a result of lower than budgeted revenues and higher expenditures on subsidies and wages. Faced with a sharp currency depreciation, high inflation and reduced investor confidence, the Government was left with limited fiscal space to compensate for slower growth."

The then governors went into overdrive trying to develop the country in record time, with unmatched revenue [unbalanced budget]. This resulted into depleting of foreign reserves, and then the country went into a borrowing spree of non-concessional loans mostly. So the nation is where it is because of the fiscal expansion, coupled with a lack of frugality in government's spending, a fact acknowledged by the ERP report, "…public debt has now exceeded 100 percent of GDP, far above the sustainability threshold of 35 percent of GDP." The report further posits that, "…with increased spending pressure, the fiscal space has been narrowing. In 2021 the wage bill and debt service are projected to absorb 100 percent of the budget's domestic revenues, thus leaving no room for operational and other priority spending." What that entails is that the country will mainly depend on grants and further borrowing for sustenance.

And according to Caesar Cheelo [2018], "One key aspect of Zambia's growing public debt has to do with how its proceeds are used. Debt is not per se a bad thing – countries borrow to support strategic investments and drive growth. However, notable concerns have arisen that Zambia is not focusing its debt finances strategically; the debt is repeatedly used to finance recurrent expenditures or so-called Government consumption. This non-productive spending is exacerbating Zambia's debt problem... Weak fiscal processes and poor financial and debt management are fuelling decisions to borrow more in order to sustain the high recurrent expenditures…the unrelenting borrowing spree is likely to lead Zambia to even higher risks of debt distress than what the IMF pointed to in August 2017 and again in February 2018."

Therefore, Zambia needs an urgent and definite philosophical shift of the economy; and the starting point is to halt the current trend, effect an audit and frugally redirect resource to critical areas of the economy. This has to follow a sincere monitoring and evaluation process. Cheelo [2018] recommended that, "The Government must regain budget credibility by formulating coherent short- and medium-term expenditure frameworks that it is able to stick to. These plans should recognise the economic value of spending and prioritise spending that supports growth – including effective support to reduce poverty. Sticking to budgets will be more than just meeting aggregate fiscal deficit targets, but also respecting programmatic allocations and thus reducing the wide expenditure variances seen in the recent past."

At the height of the economic recession in the US and some European countries, in the 1930s, Herbert Hoover admonished that, "Economic depression cannot be cured by legislative action or executive pronouncements. Economic wounds must be healed by the action of the cells of the economic body – the producers and consumers themselves." Despite being directed to the ailing economies at the time, Hoover's inescapable advice still holds a genuine economic efficacy, even among the contemporary economies and that includes Zambia's.

The father of Monetarist theories and the 1976 Nobel Prize Laureate, Milton Friedman, in his December 29, 1967 presidential speech to the American Economic Association [AEA] said that, "Our economic system will work best when producers and consumers, employers and employees, can proceed with full confidence that the average level of prices will behave in a known way in the future-preferably that it will be highly stable."

It is important to note that money supply affects price levels; therefore, there is need to stabilise prices. Inflation is detrimental to the economy and it leads to capital flight, higher levels of unemployment and poor living conditions. Friedman [1970] postulated that, "Inflation is always and everywhere a monetary phenomenon in the sense that it is and can be produced only by a rapid increase in the quantity of money than in the output."

One fundamental truth is that government is mandated to maintain inflation to its barest minimum. And when it fails, it will be considered to have conspired to rob the poor and vulnerable especially, of their hard earned income and condemn them to extremely harsh living conditions. John Maynard Keynes at one time postulated that, "By a continuing process of inflation, government can confiscate, secretly and unobserved, an important part of the wealth of their citizens." And Alexander Bwalya Chikwanda, former finance Minister could not agree more with Keynes' proposition. In his 2015 Budget Speech, Hon. Chikwanda said that, "Higher inflation adversely affects the poor majority of our people who have no way of protecting their incomes."

According to the quantity theory of money, there is an inverse relationship between money supply and interest rates [credit prices] either in the short-term or long-term. And so in order to deal with inflation, Central Bank will have to constrict the money supply through high interest rates and this will result in reduced prices. Off course, this will seem to be a harsh measure in the short-term; as it will result into a further negative growth of the economy. However, the economy will rebound, stabilize and begin to grow in the long run.

So in order to put the economy back on track after arresting the inflationary pressure, government needs to pursue the most coveted economic objectives of; full employment, price stability, economic growth and balance of payments. Talking from the monetarism perspective, Kimberly Amadeo [2020] said that, "Monetarism is an economic theory that says that money supply is the most important driver of economic growth. As the money supply increases, people demand more. Factories produce more, creating new jobs."

It is important to enhance economic growth because it helps to redistribute wealth, end poverty and improve the standard of living. Philip Hardwick et al. [1986] posited that, "There are three main determinants of a country's rate of economic growth which we consider: the growth of its labour force; the growth of its capital stock; [and] technical growth. A growing labour supply may enable a community to produce bigger combinations of goods and services and so bring about an outward shift in its production possibility frontiers. This, in turn, can lead to an increase in output per head and hence a potential improvement in social welfare."

Therefore, the K-percent rule is the answer to inflation. The Investopedia [2019] posited that; "The rule was a proposal by economist Milton Friedman that the central bank should increase the money supply by a constant percentage every year. The K-Percent Rule proposes to set the money supply growth at a rate equal to the growth of the real GDP each year." Further, the Taylor Rule is ideal to deal with interest rates. Investopedia [2020] defines it as, "a formula that can be used to predict or guide how central banks should alter interest rates due to changes in the economy."

In a nutshell, what Zambia needs, is to restore confidence in the economy by resolving inflation by raising the credit price. Then ensure a gradual monetary growth. According to Friedman, "…[a] steady monetary growth would provide a monetary climate favorable to the effective operation of those basic forces of enterprise, ingenuity, invention, hard work, and thrift that are the true springs of economic growth."

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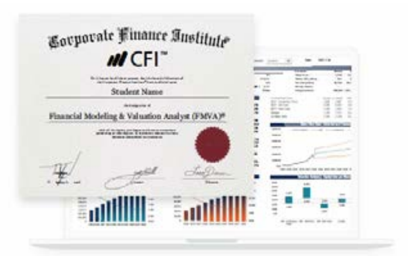

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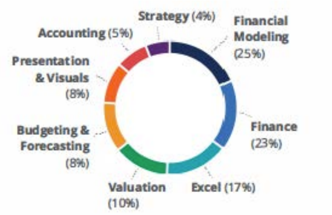

Finance

- Present value, future value, net present value, terminal value
- Annuities and perpetuities
- Capital markets
- Capital raising process - Initial Public Offering (IPO)
- Capital structure - debt financing, equity financing
- Bond pricing, par value, coupon rate, yield to maturity

Valuation

- Comps analysis
- Precedents analysis
- Discounted cash flow (DCF) analysis
- Weighted Average Cost of Capital (WACC)
- Enterprise value, equity value multiples
- Free Cash Flow to the Firm (FCFF) and Free Cash Flow to Equity (FCFE)
- Net Present Value (NPV) and Internal Rate of Return (I RR)
- Sum-of-the-Parts (SOTP)

Accounting

- Balance sheet, income statement, cash flow statement
- Assets, liabilities, shareholders' equity
- Financial transactions
- Prepayments, accrued expenses, unearned revenue
- Operating cash flow, investing cash flow, financing cash flow
- Depreciation methods
- Working capital
- Property, Plant and Equipment (PP&E) and Capital Expenditures (CapEx)

Financial Modeling

- 3-statement financial modeling
- Discounted Cash Flow (DCF)
- Scenario and sensitivity analysis
- Monthly cash flow forecasting
- Accretion/dilution analysis
- Leveraged Buyout (LBO)
- Mergers & Acquisitions (M&A)
- Industry-specific financial modeling

Excel

- Functions and formulas (XNPV, XIRR, PMT,
- IPMT, VLOOKUP, CHOOSE, INDEX MATCH MATCH, OFFSET)
- Auditing tools (tracing precedents/dependents, go to special, conditional formatting)
- Data validation, data table, goal seek
- Solver and Macros

Budgeting & Forecasting

- Incremental, activity based, value proposition, zero based budgeting
- Break-even analysis, margin of safety
- Quantitative forecasting - moving average, simple and multiple linear regression
- Variance analysis
- Budgeting tools - goal seek, solver, consolidate, pivot tables
- Presentations & Visuals
- Dynamic charts and graphs (football field chart, waterfall chart, tornado chart, gravity sort table, gauge chart, bullet charts, sparklines, combo chart)
- Professional pitch decks
- Financial dashboards

Strategy

- Strategic analysis process
- Corporate, business, functional-level strategy
- PEST and Porter's 5 forces
- Competitive advantage
- Key Performance Indicators (KPIs)
- SWOT analysis and lifecycle analysis
- Market segmentation and Porter's generic strategies
- Balanced scorecard

THE ROLE OF THE BOARD AND DIRECTORS

KEY HIGHLIGHTS

- An Effective Board
- The Role of the Chairperson
- The Role of the Senior Independent Director
- The Role of Executive Directors
- The Role of Non-Executive Directors
- Board Support and the Role of the Company Secretary
- Decision Making
- Board Composition and Succession Planning
- Evaluating the Performance of the Board and Directors
- Audit, Risk and Remuneration
- Relations with Shareholders

PREFACE

The Guidance on Board Effectiveness is one of a suite of guidance notes issued by several corporate governance Institutes such as Institute of Chartered Secretaries and Administrators (ICSA) to assist companies in effectively running business, enhance governance issues.

GOVERNANCE CODE

It replaces 'Good Practice Suggestions' from the Higgs Report (known as "the Higgs Guidance"), which was last issued in 2006.

This guidance relates primarily to sections A and B of the Code on leadership and board effectiveness. As with the separate guidance notes on audit committees and internal control, the new guidance is not intended to be prescriptive. It does not set out "the right way" to apply the Code. Rather, it is intended to stimulate boards' thinking on how they can carry out their role most effectively. Ultimately, it is for individual boards to decide on the governance arrangements most appropriate to their circumstances, and interpret the Code and guidance accordingly.

The guidance does not seek to address all the issues covered in sections A and B of the Code, but only those where consultation with companies, individual board members and investors suggest that further guidance might be helpful. Nor does it include all of the material contained in the Higgs Guidance, for example, draft appointment letters and terms of reference for board committees.

Reference is given to the UK Corporate Governance Code which has evolved since it was first introduced in 1992. It has always placed great importance on clarity of roles and responsibilities and on accountability and transparency. It is increasingly clear that while these are necessary for good governance, they are not sufficient on their own. Boards need to think deeply about the way in which they carry out their role and the behaviours that they display, not just about the structures and processes that they put in place.

This change of emphasis is reflected in the most recent edition of the UK Corporate Governance Code, published in 2010, and also in this guidance which can greatly improve the performance of most public and private organisations in Zambia. For example, boards are encouraged to consider how the way in which decisions are taken might affect the quality of those decisions, and the factors to be taken into account when constructing the board and reviewing its performance. I hope that this guidance will assist in those considerations.

Firstly, I would like to express my gratitude to the Institute of Chartered Secretaries and Administrators for the knowledge I have gained in Corporate Governance.

ROLE OF THE BOARD AND DIRECTORS

An Effective Board

The board's role is to provide entrepreneurial leadership of the company within a framework of prudent and effective controls that enables risk assessment and management. An effective board develops and promotes the company's vision, purpose, culture, values and the behaviours it wishes to promote in conducting business.

In particular, an effective board provides direction for management; demonstrates ethical leadership, displaying – and promoting throughout the company – behaviours consistent with the culture and values it has defined for the organisation; creates a performance culture that drives value creation without exposing the company to excessive risk of value destruction; and makes well-informed and high-quality decisions based on a clear line of sight into the business. It also creates the right framework for helping directors meet their statutory duties under the Companies Act 2017, (Zambia law) and/or other relevant statutory and regulatory regimes. An effective board is accountable, particularly to those that provide the company's capital; and thinks carefully about its governance arrangements and embraces evaluation of their effectiveness.

An effective Board should not necessarily be a comfortable place. Challenge, as well as teamwork, is an essential feature of an effective board. Diversity in Board composition is an important driver of board effectiveness, creating a breadth of perspectives among directors.

THE ROLE OF THE CHAIRPERSON

Good Chairpersons create good boards. The Chairperson creates the conditions for overall board and director effectiveness. The Chairperson should demonstrate the highest standards of integrity and probity, and set clear expectations concerning the company's culture, values and behaviours, and the style and tone of board discussions. The Chairperson, with the help of the executive directors and the company secretary, sets the agenda for the board's deliberations.

The board Chairperson's role includes:

- demonstrating ethical leadership;
- setting board agenda primarily focused on strategy, performance, value creation and accountability, and ensuring that issues relevant to these areas are reserved for board decision;
- ensuring a timely flow of high-quality supporting information;
- making certain that the board determines the nature, and extent, of the significant risks the company is willing to embrace in the implementation of its strategy, and that there are no 'no go' areas which prevent directors from having oversight in this area;
- succession planning and board composition;
- making certain that the board has effective decision-making processes and applies sufficient challenge to major proposals;
- ensuring the board's committees are properly structured with appropriate terms of reference;
- encouraging all board members to engage in board and committee meetings by drawing on their skills, experience, knowledge and, where appropriate, independence;
- fostering relationships founded on mutual respect and open communication – both in and outside the boardroom – between the non-executive directors and the executive team;
- developing productive working relationships with all executive directors, and the CEO in particular, providing support and advice while respecting executive responsibility;
- consulting the senior independent director on board matters in accordance with the Code;
- taking the lead on issues of director development, including through induction programmes for new directors and regular reviews with all directors;
- acting on the results of board evaluation;
- being aware of, and responding to, his or her own development needs, including people and other skills, especially when taking on the role for the first time; and
- ensuring effective communication with shareholders and other stakeholders and, in particular, that all directors are made aware of the views of those who provide the company's capital.

The Chairperson of each board committee fulfills an important leadership role similar to that of the board Chairperson, particularly in creating the conditions for overall committee and individual director effectiveness.

ROLE OF THE SENIOR INDEPENDENT DIRECTOR

In normal times, the senior independent director should act as a sounding board for the Chairperson, providing support to the Chairperson in the delivery of his or her objectives, and leading the evaluation of the Chairperson on behalf of the other directors, as set out in the Code. The senior independent director might also take responsibility for an orderly succession process for the Chairperson.

When the board is undergoing a period of stress, however, the senior independent director's role becomes critically important. He or she is expected to work with the Chairperson and other directors, and/or shareholders to resolve significant issues. Boards must have clear understanding of when the senior independent director might intervene in order to maintain board and company stability. Examples might include where there is a dispute between the Chairperson and CEO; shareholders or non-executive directors expressing concerns that the Chairperson or CEO are not addressing; the strategy the Chairperson and CEO are following is not supported by the entire board; and decisions are being made without the approval of the full board; or succession planning is being ignored.

These issues should be considered when defining the role of the senior independent director, which should be set out in writing.

THE ROLE OF EXECUTIVE DIRECTORS

Executive directors have the same duties as other members of a unitary board. These duties extend to the whole of the business, and not just that part of it covered by their individual executive roles. Nor should executive directors see themselves only as members of the CEO's executive team when engaged in board business. Taking the wider view can help achieve the advantage of a unitary system: greater knowledge, involvement and commitment at the point of decision. The Chairperson should make certain that executives are aware of their wider responsibilities when joining the board, and ensure they receive appropriate induction and regular training to enable them fulfill the role. Executive directors are also likely to broaden their understanding of their board responsibilities if they take up a non-executive director position on another board.

ROLE OF CEO AND BOARD CHAIRPERSON

The CEO is the most senior executive director on the board with responsibility for proposing strategy to the board, and for delivering the agreed strategy. The CEO's relationship with the Chairperson is key and can help the board to be more effective. The Code states that the differing responsibilities of the Chairperson and the CEO should be set out in writing and agreed by the board. Particular attention should be paid to areas of potential overlap.

The CEO has, with the support of the executive team, primary responsibility for setting an example to the company's employees, and communicating to them the expectations of the board in relation to the company's culture, values and behaviours. The CEO is responsible for supporting the Chairperson to make certain that appropriate standards of governance permeate through all parts of the organisation. The CEO will make certain that the board is made aware, when appropriate, of the views of employees on issues of relevance to the business.

The CEO will ensure the board knows the executive directors' views on business issues in order to improve the standard of discussion in the boardroom and, prior to final decision on an issue, explain in a balanced way any divergence of view in the executive team.

The CEO has a responsibility to deliver high-quality information to the board on the financial position of the company.

Executive directors have the most intimate knowledge of the company and its capabilities when developing and presenting proposals, and when exercising judgement, particularly on matters of strategy. They should appreciate that constructive challenge from non-executive directors is an essential aspect of good governance, and should encourage their non-executive colleagues to test their proposals in the light of the non-executives' wider experience outside the company. The Chairperson and the CEO should ensure that this process is properly followed.

THE ROLE OF NON-EXECUTIVE DIRECTORS

A non-executive director should, on appointment, devote time to a comprehensive, formal and tailored induction which should extend beyond the boardroom. Initiatives such as partnering a non-executive director with an executive board member may speed up the process of him or her acquiring understanding of the main areas of business activity, especially areas involving significant risk. The director should expect to visit, and talk with, senior and middle managers in these areas.

Non-executive directors should devote time to developing and refreshing their knowledge and skills, including those of communication, to ensure that they continue to make a positive contribution to the board. Being well-informed about the company, and having a strong command of the issues relevant to the business, will generate respect of the other director.

Non-executive directors need sufficient time to discharge their responsibilities effectively. The letter of appointment should state the minimum time that the non-executive director will be required to spend on company business, and seek the individual's confirmation that he or she can devote that amount of time to the role, consistent with other commitments. The letter should also indicate the possibility of additional time commitment when the company is undergoing a period of particularly increased activity, such as an acquisition or takeover, or as a result of some major difficulty with one or more of its operations.

Non-executive directors have a responsibility to uphold high standards of integrity and probity. They support the Chairperson and executive directors in instilling the appropriate culture, values and behaviours in the boardroom and beyond.

Non-executive directors should insist on receiving high-quality information sufficiently in advance so that there can be thorough consideration of the issues prior to, and informed debate and challenge at, board meetings. High-quality information is that which is appropriate for making decisions on the issue at hand – it should be accurate, clear, comprehensive, up-to-date and timely. It contains a summary of the contents of any paper and informs the director of what is expected of him or her on that issue.

Non-executive directors should take into account the views of shareholders and other stakeholders which may provide different perspectives on the company and its performance.

BOARD SUPPORT AND THE ROLE OF THE COMPANY SECRETARY

The requirement for a company secretary of a public company is specified in section 83 of the Companies Act 2017 (Zambian law). The obligations and responsibilities of the company secretary outlined in the Act, and also in the Code, necessitate him or her to play a leading role in the good governance of the company by supporting the Chairperson and helping the board and its committees to function efficiently.

The company secretary reports to the Chairperson on all board governance matters. The company secretary also reports to the CEO in relation to his or her other executive management responsibilities. The appointment and removal of the company secretary should be a matter for the board as a whole, and his or her remuneration might be determined by the remuneration committee.

The company secretary should ensure presentation of high-quality information to the board and its committees. The company secretary can also add value by fulfilling, or procuring the fulfilment of, other requirements of the Code on behalf of the Chairperson, in particular director induction and development. This should be in a manner that is appropriate to the particular director, and which has the objective of enhancing that director's effectiveness in the board or board committees, consistent with the results of the board's evaluation processes. The Chairperson and the company secretary should periodically review whether the board and the company's other governance processes, for example board and committee evaluation, are fit for purpose, and consider any improvements or initiatives that could strengthen the governance of the company.

The company secretary's effectiveness can be enhanced by his or her ability to build relationships of mutual trust with the Chairperson, the senior independent director and the non-executive directors, while maintaining the confidence of executive director colleagues.

DECISION MAKING

Well-informed and high-quality decision-making is a critical requirement for a board to be effective and does not happen by accident. Flawed decisions can be made with the best of intentions, with competent individuals passionately believing that they are making a sound judgment, when in fact not. Many factors that lead to poor decision-making are predictable and preventable. Boards can minimise the risk of poor decisions by investing time in the design of their decision-making policies and processes, including the contribution of committees.

Good decision-making can be facilitated by:

- High-quality board documentation;
- obtaining expert opinions when necessary;
- allowing time for debate and challenge, especially for complex, contentious or critical business issues;
- achieving timely closure; and
- providing clarity on the actions required, and timescales and responsibilities.

Boards should be aware of factors that can limit effective decision-making, such as dominant personality or group of directors on the board, which can inhibit contribution from other directors; insufficient attention to risk, and treating risk as a compliance issue rather than as part of the decision-making process, especially in cases where the level of risk involved in a project could endanger the stability and sustainability of the business itself; and failure to recognise the value implications of running the business on the basis of self-interest and other poor ethical standards. Other factors relate to reluctance to involve non-executive directors, or of matters being brought to the board for sign-off rather than debate; complacent or intransigent attitudes; weak organisational culture; and/or inadequate information or analysis.

Most complex decisions depend on judgment, but the judgment of even the best-intentioned and experienced leaders can, in certain circumstances, be distorted. Some factors known to distort judgment in decision-making are conflicts of interest, emotional attachments, and inappropriate reliance on previous experience and decisions. For significant decisions, therefore, a board may wish to consider extra steps or further expert advice.

BOARD COMPOSITION AND SUCCESSION PLANNING

Appointing directors who are able to make a positive contribution is one of the key elements of board effectiveness. Directors will be more likely to make good decisions and maximise the opportunities for the company's success in the longer term if the right skill sets are present in the boardroom. This includes the appropriate range and balance of skills, experience, knowledge and independence. Non-executive directors should possess critical skills of value to the board and relevant to the challenges facing the company.

The nomination committee, usually led by the Chairperson, should be responsible for board recruitment. The process should be continuous and proactive, and should take into account the company's agreed strategic priorities. The aim should be to secure a boardroom which achieves the right balance between challenge and teamwork, and fresh input and thinking, while maintaining a cohesive board.

It is important to consider a diversity of personal attributes among board candidates, including: intellect, critical assessment and judgement, courage, openness, honesty and tact and the ability to listen, forge relationships and develop trust. Diversity of psychological type, background and gender is important to ensure that a board is not composed solely of like-minded individuals. A board requires directors who have the intellectual capability to suggest change to a proposed strategy and to promulgate alternatives.

Given the importance of committees in companies' decision-making structures, it will be important to recruit non-executives with the necessary technical skills and knowledge on a subject matter, as well as the potential to assume the role of committee Chairperson.

The Chairperson's vision for achieving the optimal board composition will help the nomination committee review the skills required, identify the gaps, develop transparent appointment criteria and inform succession planning. The nomination committee should periodically assess whether the desired outcome has been achieved and propose changes to the process as necessary.

Executive directors may be recruited from external sources. However, companies should also develop internal talent and capability. Initiatives might include middle management development programmes, facilitating engagement from time to time with non-executive directors, and partnering and mentoring schemes.

Good board appointments do not only depend on the nomination committee. A prospective director should carry out sufficient due diligence to understand the company, appreciate the time commitment involved, and assess the likelihood that he or she will be able to make a positive contribution and not just for personal gains.

EVALUATING THE PERFORMANCE OF THE BOARD AND DIRECTORS

Boards continually need to monitor and improve their performance. This can be achieved through board evaluation, which provides a powerful and valuable feedback mechanism for improving board effectiveness, maximising strengths and highlighting areas for further development. The evaluation process should aim to be objective and rigorous.

Like induction and board development, evaluation should be bespoke in its formulation and delivery. The Chairperson has overall responsibility for the process, and should select an appropriate approach and act on its outcome. The senior independent director should lead the process which evaluates the performance of the Chairperson. Chairs of board committees should also be responsible for the evaluation of their committees.

The outcome of a board evaluation should be shared with the whole board and fed back, as appropriate, into the board's work on composition, the design of induction and development programmes, and other relevant areas. It may be useful for a company to have a review loop to consider the effectiveness of the board evaluation process.

It is highly recommended for large companies to have externally-facilitated board evaluations at least every three years. External facilitation can add value by introducing a fresh perspective and new ways of thinking. It may also be useful in particular circumstances, such as when there has been a change of Chairperson, there is a known problem around the board table requiring tactful handling, or there is an external perception that the board is, or has been, ineffective.

Whether facilitated externally or internally, evaluations should explore how effective the board is as a unit, as well as the effectiveness of the contributions made by individual directors.

Some areas which may be considered, although they are neither prescriptive nor exhaustive, include the skills mix, experience, knowledge and diversity on the board, in the context of the challenges facing the company; clarity of, and leadership given to, the purpose, direction and values of the company; succession and development plans; how the board works together as a unit, and the tone set by the Chairperson and the CEO; and key board relationships, particularly Chairperson/CEO, Chairperson/senior independent director, and the Chairperson/company secretary and executive/non-executive.

Some of the areas for consideration are effectiveness of individual non-executive and executive directors; clarity of the senior independent director's role; effectiveness of board committees, and how they are connected with the main board; quality of the general information provided on the company and its performance; quality of papers and presentations to the board; quality of discussions around individual proposals; process the Chairperson uses to ensure sufficient debate for major decisions or contentious issues. Others relate to the effectiveness of the secretariat; clarity of the decision processes and authorities; processes for identifying and reviewing risks; and how the board communicates with, and listens and responds to, shareholders and other stakeholders.

AUDIT, RISK AND REMUNERATION

While the board may make use of committees to assist its consideration of audit, risk and remuneration, it retains responsibility for, and makes the final decisions on, all of these areas. The Chairperson should ensure that sufficient time is allowed at the board for discussion of issues.

All directors should farmiliarise themselves with the associated provisions of the relevant Corporate Governance Code and its related guidance and any relevant regulatory requirements for complaint purposes.

Sufficient time should be allowed after committee meetings for them to report to the board on the nature and content of discussion, on recommendations, and on actions to be taken. The minutes of committee meetings should be circulated to all board members, unless it would be inappropriate to do so, and to the company secretary (if he or she is not secretary to the committee). The remit of each committee, and the processes of interaction between committees and between each committee and the board should be reviewed regularly.

RELATIONS WITH SHAREHOLDERS

Communication of a company's governance presents an opportunity for the company to improve the quality of dialogue with its shareholders and other stakeholders, generating greater levels of trust and confidence.

The annual report is an important means of communicating with shareholders. It can also be used to provide well thought-out disclosures on the company's governance arrangements and the board evaluation exercise. Thinking about such disclosures can prompt the board to reflect on the quality of its governance, and what actions it might take to improve its structures, processes and systems.

The Code emphasises the importance of continual communication with major shareholders, and of the AGM, as two aspects of a company's wider communications strategy. The Chairperson has a key role to play in representing the company to its principal audiences, and is encouraged to report personally about board leadership and effectiveness in the corporate governance and annual financial report.

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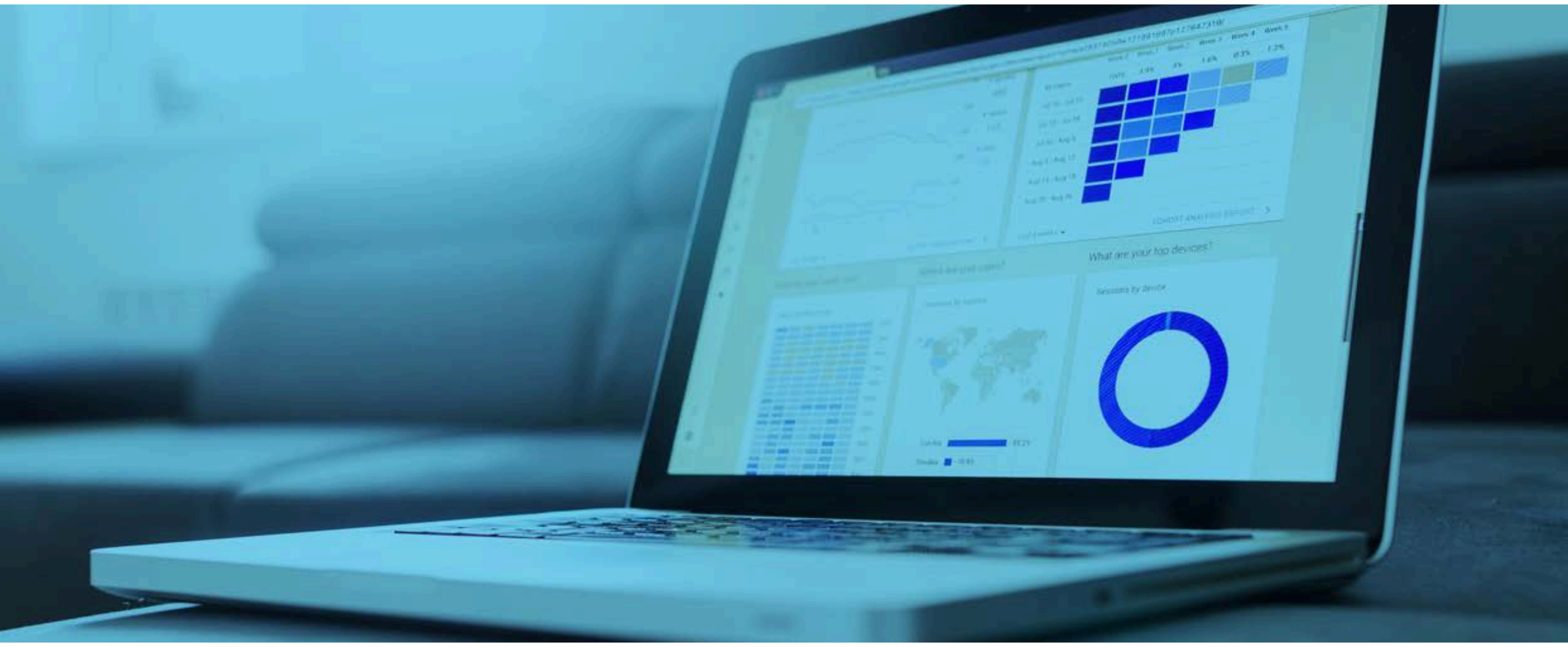
FCCA, MBA, ATD, ICSAgrad, AZICA

INTERNAL AUDIT OUTLOOK ON CYBERSECURITY



For decades, Internal Audit function has played a critical role in assisting organisations in managing the battle of cyber threats. The threat from cyberattacks is significant and is continuously evolving. The rapid growth of attacks from cybercriminals has forced the Internal Auditors in providing independent assessment of existing systems and internal controls of digital networks and systems. The assessment has assisted management to understand and address the diverse risks of the digital world. In addition, the involvement of many boards, in particular audit and risk committee, in the internal auditor's work have set the bar high. There is an expectation for auditors to have full understanding of the organisation's capabilities in managing the associated risks of cyber-attacks. In order for Internal Audit Function to achieve this, a cyber-risk assessment has to be incorporated in the audit universe for the organisation and later, depending on the risk, in the annual work plan.

The COVID-19 pandemic has forced almost all organisations and individuals to embrace NEW NORMAL practices such as social distancing and remote working. At the same time, governments globally are revaluating ways to ensure that their countries remain stable during the economic recession by developing and implementing new economic plans. However, while the world is busy on addressing the health and economic threats posed by the pandemic, cyber criminals are also capitalising on this crisis by using technology to commit malicious activities on digital systems or networks with the intention of stealing sensitive company information or even personal data.

INTERNAL AUDIT'S ROLE IN CYBERSECURITY

Cyber threats have been a world crisis. The majority of businesses are affected in much [the same] way as loss or damage to electronic data has taken place massively. However, cybercrime can be combated across the three-line model. The model is a new phenomenon whose principles pronounce the importance and nature of internal audit independence. Further, according to Institution of Internal Auditor (IIA) global, the model has " a fresh look at the familiar Three Lines of Defense, clarifying and strengthening the underpinning principles, broadening the scope, and explaining how key organisational roles work together to facilitate strong governance and risk management"

Therefore, in the three-line model, there are still three lines of defense. The first line of defense include sall frontline workers of the organisation. The members of staff are expected to be aware of cyberattack and at the same time contribute to the implementation of any policy that the organisation has put in place regarding cybersecurity. The second line of defense is the involvement of experts that can advise on cyber risks e.g quality control and risk specialist, IT management. The last line of defense is the engagement of Internal Audit staff who assess whether the awareness of cyberattack is adequate and also ensure that appropriate policies and procedures are implemented and operating effectively.

WHAT WILL HELP INTERNAL AUDIT FUNCTION WITH CYBERSECURITY ASSESSMENT?

There are several factors that internal audit professionals can consider when conducting a cybersecurity assessment:

(a) Involve members of the audit team that have necessary experience and skills. It is important that the team that is engaged in the cybersecurity assessment is one that have its members with appropriate technical skills and knowledge of the risk environment of cybersecurity of their organisation.

(b) Have a full evaluation of cybersecurity frameworks, rather than a surface appraisal. The evaluation may involve understanding the current state of cybersecurity against framework characteristics. Further, it may also involve an analysis of what an organisation plans concerning how it will manage the risks of cyberattacks and the minimum expected cybersecurity practices across the industry or business sector.

(c) The initial assessment of the environment should be driven by additional risk-based cybersecurity reviews that should be deeper than the earlier assessment that was conducted by the audit team.

WHAT GOVERNMENT LEGISLATION AND POLICY ARE IN PLACE?

There is legislation that the government has put in place in order to manage the use of computer networks and similar systems. Further, government has also enacted a cybersecurity and cybercrimes law.

(a) Electronics and Communications Transaction Acts of 2009 - The Electronics and Communication Transaction Act was developed in order to ensure a safe, secure and effective environment for the consumer, business sector and the government to conduct and use electronic communications. In addition, the legislation promotes legal certainty, confidence, and encourage investment and innovation in the electronic communications industry.

(b) Cyber security and cybercrimes ACT 2021

The President assented to the cyber security and cybercrimes bill of 2017 on 23rd March 2021. The new legislation is meant to enhance positive culture of cybersecurity and protect people against cybercrime. The law has repealed certain provisions in the Electronic and Communication Transaction Act no. 21 of 2009. The main objectives of the cybersecurity and cybercrimes Act, 2021 include the following:

- Authorise the taking of measures to ensure cybersecurity in Zambia
- Protect victims against cybercrime
- Provide for child online protection
- Provide Information and Communication Technology user education on cybersecurity and develop local skills in cybersecurity
- Facilitate identification, declaration and protection of critical information infrastructure
- Provide powers to investigate and prevent cyber-crime
- Provide for investigation and collection of evidence for computer and network related crime
- Provide for the admission of electronic evidence for cybercrime, and
- Establish the Zambia National cyber security Agency and provide for its functions.

WHAT OTHER CYBERSECURITY FRAMEWORKS CAN BE USED?

One of the fundamental first steps that the Internal Audit department must take as they develop cybersecurity audit plan is to carefully understand the cybersecurity framework the organisation plans to use or uses. Management of the organisation can be involved in the selection of the frameworks.

All such frameworks are designed to provide a way for organisations to manage their cybersecurity systems and help establish a common language and terminology for all parties involved. For those reasons, the chosen standard also provides a practical methodology for the audit team to use in the audit assignments.

In addition to the three-line model highlighted above, numerous frameworks have been specifically tailored to address cybersecurity risk of certain industries and control environments. It is essential that management takes into account specific industry standards, regulations and any legal requirements imposed by authorities before determining the frameworks that auditors will use in their work. Further, a detailed analysis of advantages and disadvantages of each framework should be carried out before adoption. Some of the most widely used frameworks that could be applicable to various organisations include the following:

(a) NIST CSF - The National Institute of Standards and Framework's Cybersecurity Framework (CSF) was published in February 2014 in response to the United States of America President Executive Order. The Cybersecurity Framework (CSF) is a voluntary framework primarily intended for a standardised security framework for critical infrastructure. The CSF consists of the framework core, which is a set of about 100 cybersecurity activities (controls) across five functions; the framework tiers, which help define an organisation's cybersecurity risk management "maturity".

(b) COBIT 5- ISACA developed the original version of Control Objectives for Information and Related Technologies (COBIT) in 1996. COBIT 5 is the latest iteration of this framework, which places emphasis on managing cybersecurity risk through compliance with effective IT governance and management and on linking IT and cybersecurity objectives to business strategic goals.

(c) ISO/IEC 27001- The ISO and the IEC published the 27001 security standard in 2013 as an update to the 27001:2005 standard. This framework is unique in that organisations can become 27001-certified, and the framework is used internationally. The frameworks requires management involvement including the following:

- Systematically examine the organisation's information security risks, taking account of the threats, vulnerabilities, and impacts;
- Design and implement a coherent and comprehensive suite of information security controls and/or other forms of risk treatment (such as risk avoidance or risk transfer) to address those risks that are deemed unacceptable; and
- Adopt an overarching management process to ensure that the information security controls continue to meet the organization's information security needs on an ongoing basis.

(d) ISO/IEC 27032 - This Standard recognises the vectors that cyberattacks rely upon, including those that originate outside cyberspace itself. It provides guidelines for protecting your information from external environments.

(e) ISO/IEC 27031 - The ISO and the IEC emphasis for organisational preparedness for business continuity and a logical step to proceed from incident management, as an uncontrolled incident can transform into a threat to ICT continuity. As part of the profile of a cyberattack, it is essential that organisations are prepared for a cyberattack beating the first line of defense and avoiding the threatening of the information systems as a whole.

(f) ISO/IEC 27035 – This is the standard for incident management and forms the crucial stage of cyber resilience. While cybersecurity management systems are designed to protect the organisation, it is essential to be prepared to respond quickly and effectively when something does go wrong. This Standard also includes guidance for updating policies and processes to strengthen existing controls following analysis of the event and minimise the risk of recurrence.

(g) ISO/IEC 22301 - This is the Standard for Business Continuity Management Systems (BCMSs), and forms the final part of cyber resilience. This Standard does not only focus on the recovery from disasters, but also on maintaining access to, and security of, information, which is crucial when attempting to return to full and secure functionality.

Cyberattacks is a reality and more so during the COVID-19 crisis. Cyber criminals are busy using technology to commit malicious activities on digital systems or networks with the intention of stealing sensitive company information or even personal data. The data obtained can work against the organisation or used for competitive advantage. It is therefore essential that the Internal Audit functions are more vigilant to ensure that systems and controls of networks and technology are effective. The assessment of cyberattacks begins with inclusion of the auditable process of cybersecurity in the audit universe and later in annual work plans for the department of Internal Audit.

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ZICA Management led by Mr. Bonna Kashinga (second from the left) paying a courtesy call to the Controller of Internal Audit (second from the right) Mr. Chibwe Mulonda

ZICA members attending the IPSAS workshop held in Livingstone

ZICA members attending the IFRS workshop held at Raddisson Blu Hotel

ZICA President Mrs. Cecilia Zimba delivering her speech during the IPSAS workshop held in Livingstone on 8th and 9th April in 2021

Bridges Limited CEO Mr. Chibamba Kanyama during the training of the CA Zambia Ambassadors held at Sandy's creations

CA Zambia Ambassadors group photo during the launch of the prestigious CA Zambia Programme

CA Zambia Ambassadors group photo after receiving their shields and certificates during the launch of the prestigious CA Zambia Programme

ZICA President Mrs Cecilia Zimba presenting the starter pack to one of the Ambassadors

CA Zambia brand Ambassadors doing a group presentation as part of their training held at Sandy's Creations Events

IMPACT OF THE CURRENT ECONOMIC ENVIRONMENT ON THE LOWER INCOME CLASS IN ZAMBIA

A snapshot of Zambia's macroeconomic variables indicate that the country's economy is in a recession.

A country in the Southern part of Africa with a population of approximately 17.9 million, Zambia's economic growth rate (GDP) for 2021 is anticipated to be negative 4.8% (International Monetary Fund, 2021). The inflation for the month of December 2020 was 19.2%, about 11 percentage points above the Bank of Zambia targeted inflation of 6-8% while January 2020 closed at 21.5%. The nation's unemployment rate was last recorded at 11.4% with youth unemployment rate at 16% - Zambia Statistics Agency (2020).

Being an import-oriented country, the importance of a stable exchange rate cannot be overemphasised. The local currency, the Kwacha, come under increasing pressure from major convertibles such as the United States Dollars (USD), Euro (EUR), British Pound (GBP) and South African Rand (ZAR). Its year-on-year performance against the USD indicates a depreciation of almost 51% [21.14 vs 14.03] and the Gross international Reserves have significantly reduced below the targeted 3 months import cover at 1.3 billion USD as of end of September 2020 (Bank of Zambia).

Zambia like many other Sub-Saharan countries and the world at large has experienced the ravaging effects of COVID-19 which have negatively impacted the social-economic progress of the Southern African country. Due to the COVID-19 public health restrictions instituted by the government in 2020, in order to curb the spread of the virus, a lot of sectors have exhibited reduced growth as most industries have not been able to operate at full capacity. The first half of the year 2020 saw some companies either freeze salary increments whilst others downsized and in worst case scenarios, shut down operations altogether. The Industries severely affected by the pandemic included tourism, hospitality, travel, manufacturing and retail (such as Spar and Edgars which closed operations in Zambia). The impact also extends to SMEs, MSMEs and those in self-employment.

The second half of 2020 saw the easing of COVID-19 restrictions as economic activity gradually started to pick up to the extent where some industries such as mining and quarrying, agriculture, forestry and fishing and financial & insurance sectors performed well, ultimately contributing positively to the country's GDP (Zambia Statistics Agency, December 2020 bulletin). However, the beginning of 2021 poses significant risks to the progress made in the second half of 2020 as the devastating effects of the second wave of COVID-19 begin to take a toll on the economy. Going by what has been experienced so far, the expectation, if the situation remains the same, is that some sectors and industries that were adversely affected in 2020 may experience a second wave of the negative effects of COVID-19 even before their operations can fully get back to normal.

Considering the economic disposition of Zambia, most industries may be affected directly or indirectly and the impact may not only be seen on the demand side but the supply chain disruptions as well. The worst affected economic group will be individuals and households in the lower income bracket. A deep dive into the make-up of the 19.2% inflation recorded in December 2020 shows that the prices of basic needs (necessities) that all individuals consume are increasing at a higher rate. The question that begs an answer is: how will the low-income groups afford a decent life with the escalating prices of food items? On average, food prices had increased from 15.2% in December 2019 to 20.2% in December 2020 whilst the price of utilities increased from 5.3% in December 2019 to 21.7% in December 2020. In addition, transport costs increased from 17.6% in December 2019 to 38.8% in December 2020 (Zambia Statistics Agency, December 2020 bulletin). Further, there is a likelihood that employers may continue downsizing or implementing strategies that will ensure that they remain afloat including freezing of salary increments which from an employee's point of view is equivalent to a reduction in salaries since inflation keeps rising at a higher rate.

The effects of a recession affect all economic agents including entities. Zambia's economic structure is such that it is heavily reliant on imports with a very narrow export base which includes raw minerals, burley tobacco, cane sugar and maize. Such an economic structure creates a very unstable foreign exchange market whose volatility is transmitted to the wide economy and particularly companies which generate revenue in the local currency and incur operational costs that have an element of foreign currency. The impact of the currency devaluation on these companies has been a reduction in both gross margins and profit margins. From the company's point of view, the easiest cost line to control is employee costs since other costs are so fixed in nature that they cannot be reduced e.g., renting of office space, utilities and debt servicing. Actually, due to the impact of COVID-19, most private companies have resorted to obtaining credit in order to bridge financing and meet working capital requirements due to an increase in operating costs (Monetary Policy Statement, November 2020).

Other schools of thought would suggest that individuals, especially youths, should look for additional sources of income such as venturing into business instead of depending on a salary alone. This is a very much welcome idea which would not only improve an individual's welfare, but would also benefit the country at large because every business somehow drives economic activity thereby adding to the country's GDP. However, most, if not all, businesses require capital and since the youth fall under the low-income group, they may not afford to raise capital from a salary because their incomes may only meet the ever-increasing cost of basic needs. This group may have good business plans, but capital remains the main constraint. A few of them could think of approaching commercial banks to obtain loans, but banks always screen individuals to assess their able to pay back the loan. Unfortunately, most commercial banks only give loans to individuals/ companies that have the capacity to pay back because the risk of default is minimal.

The Gini coefficient for Zambia in 2015 was 0.57 (The world Bank, 2015). The coefficient shows that the level of income inequality in Zambia is high and a recession amid increasing prices month on month risks the country having high levels of poverty because the static income for the low class will no longer be sustainable in the long run. Zambia is one of the youngest countries by median age with a population growing at an average of 2.8% partly because of high fertility and the trend is expected to continue as the youth enter reproductive age which will put more pressure on the demand for jobs, health care and other social services (The World bank, 2020).

In order to stimulate economic activity, the government using fiscal policy, had amongst other strategies, issued a COVID-19 Bond to ease liquidity and increased the tax-free amount to K4,000 from K3,300 beginning January 2021. This is roughly a net impact/increase of K263 for employees getting a salary of over K4,000 and K175 for those getting a salary equal to K4000. This has slightly increased the disposable income for individuals except the increase is being netted off by a rise in the price of necessities. In addition, the Bank of Zambia provided K10 billion Targeted Medium-Term Refinancing Facility (TMTRF) and reduced the policy rate to 8% in order to increase liquidity in the economy.

Should the policy rate be reduced further from the current 8%? Well, this might seem desirable except it would further depreciate the currency in the supply constrained environment and contribute to an increase in the inflation rate (Monetary Policy Statement, November 2020).

On the other hand, the use of expansionary fiscal policy by government may contribute to improving the livelihood of the people through job creation but the government's fiscal space is so limited that it is even struggling to pay its debt. In November 2020, Zambia defaulted on its Euro bond coupon amounting to 42.5 million USD thereby increasing the need to engage IMF for a financing package in order to support the Economic Recovery Plan (International Monetary Fund, 2020).

However, it remains the government's primary responsibility to ensure effective delivery of public services such as access to food, health care and education to all people (United Nations, Press release, 2004). It is also the responsibility of government to create a conducive environment where the low-income group and those unemployed can easily access low-cost capital in order to generate some form of income. This responsibility is in line with the Economic Recovery Plan (ERP) 2020-2023 anchored on the theme, "Restoring Growth and Safeguarding livelihoods through Macroeconomic Stability, Economic Diversification and Debt Sustainability." Launched by the Republican President of Zambia, Edgar Chagwa Lungu, it stipulates that the main concern of the government, amongst other things, is to reduce poverty and inequality. Part of the measures the government intends to undertake include; restoration of growth and achievement of economic diversification through agriculture, mining, manufacturing and investment in the energy, Information and Communication Technology (ICT) and financial sectors. It is believed that the revival of these sectors will spur growth in other sectors and will help to create jobs to bring about the much-needed structural transformation which will in turn sustain macroeconomic stability. It envisages that the growth will be driven by the private sector, with a particular focus on Small and Medium Enterprises (SMEs). In addition, as part of the measures to alleviate the impact of the COVID-19 pandemic on the economy, the worst-hit sectors like tourism would be given incentives to safeguard jobs and livelihoods.

However, like mentioned above, almost all the sectors have been impacted by COVID-19 but it is individuals in the low-income group who have been impacted the most. We can only hope that with the COVID-19 vaccine on its way, the economy will get back to normal and the price of necessities will be affordable. In addition, we look forward to seeing how the implementation of the ERP will unfold and most importantly, the benefit it will bring to the low-income group.

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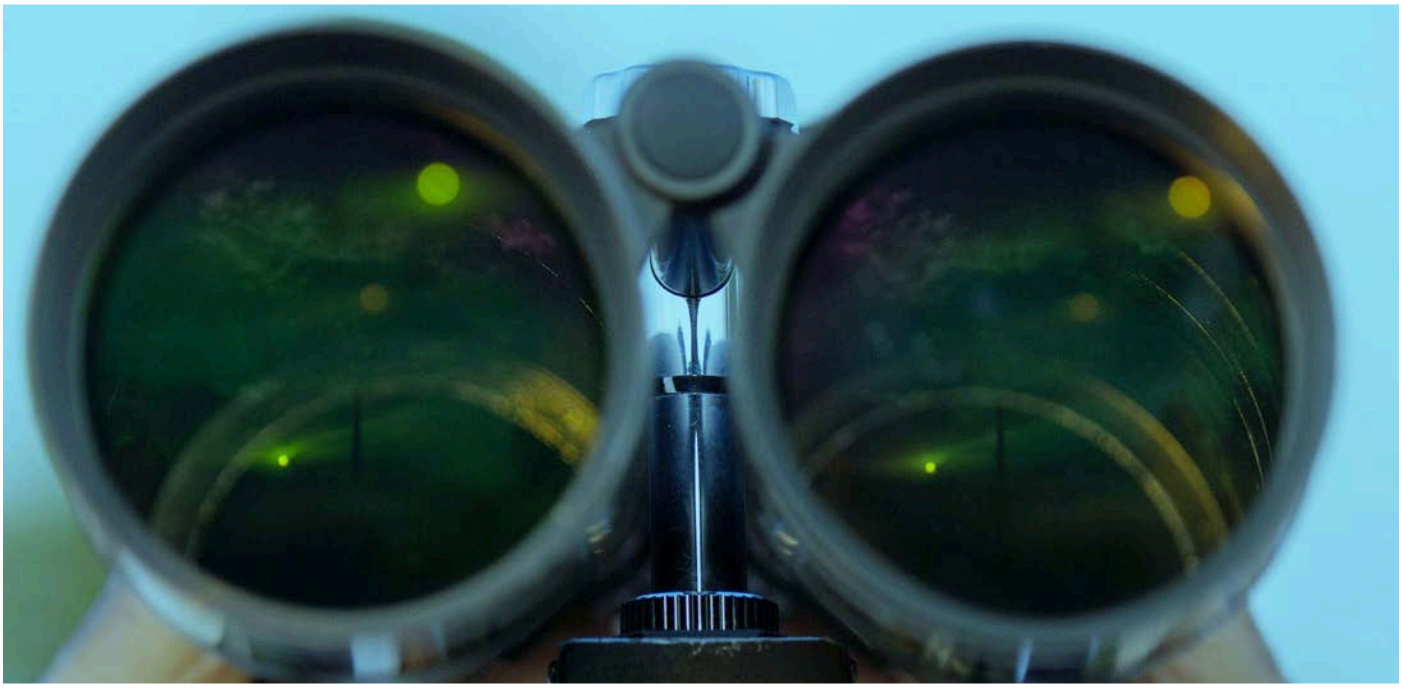
A CLOSE LOOK AT A VARIANCE ANALYSIS REPORT



A VARIANCE report is one of the most commonly used accounting tools. It is essentially the difference between the budgeted amount and the actual, expense or revenue.

A variance report highlights two separate values and the extent of difference between the two.

It is this variance, or the difference, that it seeks to throw light on (and eventually the triggers as well). Typically, the variance report can be created only when the actual numbers are available.

The variance can be depicted both in absolute terms as well as a percentage difference. This highlights the degree of difference and that is why it is a crucial component in many accounting practices. It brings to light an inaccurate assumption or triggers that result in the variance.

THE FORMULA FOR VARIANCE REPORT

The variance report is created for all types of budgets. Typically, the report is created after calculating the variance as per strict formula. This is because the Variance comprises a key component of asset allocation. The formula for Variance is:

VARIANCE-REPORT

In this case:

σ2 is the actual variance

χ stands for the specific data in question

μ is the mean of multiple data points

N is the total number of data calculated

In case you are calculating the Variance % as a component of the Budget - Variance % = [Variance /Budget] x100.

The percentage is crucial as it gives you a sense of the relative difference, and, in many cases, highlights the triggers that led to the difference.

INSIGHT INTO VARIANCE REPORT

The whole concept of variance report is that of comparison. It helps in identifying the materiality of a specific budget in question. It may be surprising but the first variance report and analysis was used in ancient Egypt. Cardinally, it is the bastion of management accountancy. This is the most important tool that managements the world over use to calibrate their companies' performance, by assessing profit and loss and paying attention to budgetary differences. Therefore, it is a tool used to enhance efficiency in a long-standing manner and sustainably over a period of time.

INTERPRETING VARIANCE REPORT RESULTS

The variance report is often seen as the primary tool for better controlling future costs and conditions in a meaningful way. They are the perfect representation of how independent numbers are related to one another in a bigger group.

In statistics parlance, the biggest advantage of this type of report is that it gives equal importance to all types of deviations in an analysis. Regardless of the direction of their deviation from the mean, you cannot achieve a sum zero with this kind of number reporting. As a result, you will never see a situation where you get the appearance of no deviation or variance.

That essentially means that even the smallest deviation is earmarked appropriately in the variance report results.

But that does create a small hiccup. The interpretation of the variance report is not as simple as you might assume. You need to have a proper understanding of this calculation method, the dynamics of the industry you are analysing and the specific number.

Remember variance gives added weight to each of these data points and squaring them can skew the numbers in a complicated and confusing way. Most importantly, it will not serve the core purpose for which it is computed in a meaningful way.

Perhaps an example will drive home the point in a meaningful way. Let us assume that we are computing the variance report for

Company X. The returns for:

Year 1 is at 10%

Year 2 is at 15%

Year 3 is at -10%

The overall average for the three years is around 5%.

Now let's say the difference the return and the average is roughly at:

Year 1- 5%

Year 2- 15%

Year 3- 20%

Squaring these, you will get a deviation and variance close to 200%. Your standard deviation from this then stands at a tad lower than 15%.

POSITIVE VS. NEGATIVE VARIANCES

It is interesting to note that the variance is never unidirectional. Especially for budget variance reports, you can have both negative and positive scenarios. Essentially, this is dependent on both the key calculation metrics as well as the quality of analysis. External factors like seasonal changes, for example, can play a role in it.

POSITIVE VARIANCE

Typically, a positive variance refers to favourable variances in the report that you have compiled.

It means the gains are more than anticipated and have been due to certain unexpected factors. It creates a surplus and additional gains from a variety of factors. So then the company has to get back to the drawing board and recalibrate the assets available.

It can also result in a refined asset allocation for them as well. Additionally, this can be also due to sudden unprecedented one-time windfall of some type. This can skew numbers adversely.

NEGATIVE VARIANCE

This is the exact opposite of the positive variance. This is the outcome of some unfavourable development.

The losses could have been the direct result of some sort of calculation error or even some environmental factor. For example, if you are in the cement business, the cyclical factors come to play like rains and festive demand for new houses. As a result, demand for cement is likely to spike up around that time. But let's think of the time soon after the subprime crisis, prices completely bottomed out and the demand for houses too came down. It is almost natural that the cement prices will slip as well. Therefore, a negative variance is not surprising in this circumstance.

Nevertheless, these numbers and the variance especially will give the owners a sense of the market and give them cues on how to taper down the assumptions for the following few quarters.

VARIANCE-REPORT

Common types of variances

When you consider the variance report, it is very obvious that there are some basic parameters that keep shifting on a regular basis.

1. PRICE VARIANCE

In this case, as the name suggests, the variance comes in the price of the material. When the actual price of the material differs significantly from the standard price, you get this variance.

This is also a result of the difference in the actual output and usage levels compared to the standard ones. So, in this case, you have to keep in mind four factors:

Actual usage. Sometimes you can get quantity discounts when you are buying larger quantities, so more materials get used to accommodate the price difference.

The actual price being lower or higher than the standard market rate.

The quality of the materials is also crucial. Sometimes buying lower grade or higher-grade quality compared to the standard rate can be problematic too.

The unavailability of certain products may also result in opting for another alternative. Both in terms of price and quality, it can add a different dimension to the overall variance report in a significant manner and alter the final deductions.

2. USAGE VARIANCE

As the name indicates, when the usage levels are different from the standard rate, it leads to the formulation of the following report:

Replacing the standard material with an alternative can affect usage. You may have to increase or decrease quantity as per the new requirements.

The relative yield from the material needs to conform to expected levels. In case there is an anomaly here, it results in a variance.

The rate of scrap from the material used can also play a crucial role in the ultimate deductions.

3. LABOUR VARIANCE

The labour variance refers to the cost of labour. The actual rate, in this case, at times differs significantly from the standard or assumed rate. There can again be several reasons for this making a difference in the variance report: if the standard rate of wage is significantly below or above the existing one.

Actual labour hours vs. the standard labour hours can also affect both quality and efficiency. This can, in turn, have a bearing on the prices.

Impact of special situations like strike, lockout and the like.

Overall efficiency of the labour counts as well. If they are very efficient then, four labourers in five hours can work the same that 10 may be able to achieve in eight hours.

4. OVERHEAD SPENDING VARIANCE

This refers to the overhead costs in the business. Technically, it can be any time and anything. The trick is all about incorporating the potential variables:

Sudden one-time expenses or emergencies that have a bearing on the overall input cost.

Potential external factors that might affect the demand for the final product.

Labour unrest or special steps taken to offer additional financial compensation to the labourers for a specific year.

Faulty production due to any oversight that will have to be rejected and the company has to digest the expense.

How to write a variance report

So now that you have all the elements of computing a variance report, the next step is writing it down.

VARIANCE-REPORT

The layout of the report can vary depending on how your audience wants to see the information.

For the income statement in the example above, the budget for each account is listed after the account name followed by actual results. This sets the stage for the variance and then a visual favourable or unfavourable presentation. Variance reports can also have a column for a percentage of change to make the data even better.

Unfortunately, a variance report can't be finalised until the actual events occur. However, a lot of work can be done beforehand by creating the template. This way turnaround time once results are final will be much faster.

On the whole, most variance reports follow this strict protocol while writing it. But remember a variance report contains a lot of numbers and it is important to highlight the most relevant factors in the proper light. That will optimise its utility.

CONCLUSION

While variance reports can be a pain point for any professional, they are invaluable in communicating results to external stakeholders and decision-makers.

Now that you've mastered the basics of these reports, you should be equipped to conquer your next assignment. Want to keep growing your knowledge?

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‘BETTER TOGETHER’

By Moses Chitoshi

HER background is that of a teacher who went on to become an accountant. Now she heads the Zambia Institute of Chartered Accountants (ZICA) Directorate of Membership and Corporate Services. This is the professional journey of Madam Patricia Hantumba.

She has been picked as one of the first female accountants, in her area of operation, to be part of this publication to celebrate women’s day 2021.

Patricia is the 3rd born daughter of Mr and Mrs Timothy Hantumba of Chikankata. She was born in Mazabuka, the so-called sweetest town in Zambia. Young Patricia attended Kawama Primary in Mazabuka and qualified to grade 8 at Chikankata Secondary School in today’s Chikankata district. She was there up to Grade 12.

She was then accepted to study Bachelor of Arts with Education at the University of Zambia.

Upon completion of her degree study, she joined the Ministry of Education as a teacher. She was posted to David Kaunda Technical Secondary School. Patricia taught English and Geography for 4 years before she ventured to study something else in her free time. She had quite some time after class and she was determined to make use of it by furthering her education.

“At that time, my husband then encouraged me to enroll for a course. Actually, when I set out to study for a new course, we agreed as a family that I would venture into a human resource management course. However, as fate would have it, that particular day, when I went to some college which was housed at Findeco House, I was told that the college had not made the class for human resource and the only class that was running for evening lessons was an accountancy class,” she recalls. “For me, I had never been friends with mathematics. So I thought I was not going to manage to study accounts but I was encouraged that mathematics is just what it is, it doesn’t mean if you are going to study accounts you must be an excellent number cruncher. I was told you can still sail through because the accountancy profession has various subjects and various specialisations.”

For the love of furthering her education, Patricia decided to join the accountancy class.

“That’s how I started my accountancy career. I did a certificate in accounting; I passed. Then I joined the Accounting Technician programme which was run by ZICA which I also completed,” she says. “Then I said if I have managed to pass these programmes, I can as well go all the way and do a professional qualification. That is how I enrolled to study ACCA in 2002, which I completed in 2006.”

Patricia went on to pursue a Bachelor of Science (Hons) in Applied Accounting offered by Oxford Brookes University and later a Master of Business Administration (MBA) at Edinburgh Business School of Heriot Watt University.

The transition from Teaching to Accountancy

For Patricia, transitioning had a lot to do with the mindset and she focused on spending her spare time in the afternoon to further her education, although this desire created a complete career change.

At the beginning, Patricia says, it was a bit difficult because she had the belief that to study accountancy, one must have had a division one pass in maths.

“It was a bit challenging because even when I was entering that course, it was for convenience, not that I was convinced that I could do it. What gave me great motivation is that I found two lecturers, Mr Bestine Manyika and Mr Mushinda, who encouraged me. Further, my support system said 'if you already have a degree and have passed through the prestigious University of Zambia, there is nothing else you can't do; you can study anything and you will attain it'," she recalls.

PARENTAL INFLUENCE

Patricia's parents, unfortunately, passed on quite early before she ventured into her further studies but she never forgot their teachings that she should always strive to present the best of herself. Her father died when she was only 19 and doing her third year at the University of Zambia.

"My mother followed 10 years later. Both my parents were teachers and they were very passionate about education. I remember my parents always talking about how important education was. They always used to say that education was the liberator, especially for a girl child. Although I never understood at that moment what they meant, I have come to appreciate their teachings through my experiences in life. I was also blessed to have a partner who really encouraged me to go for it whenever I wanted to go to school. I tapped into that passion for education from my parents."

Patricia's parents always entrusted her with tasks that were meant for people older than her.

At an early age, people begun identifying leadership qualities in her on account of what she was capable of doing.

"So from a very tender age, I believed that probably I could lead even a small section of people or my family because people indicated that I was very resilient and I think that is what propelled me into what I have achieved today. Because of resilience, I endured school and my career balance perfectly well and I have managed to complete my studies and also ascend the corporate ladder," she says.

WHAT KEEPS HER BUSY

Currently, Patricia runs three departments in her directorate, making her tasks really involving.

"To balance work and life, you need to be focused and be good at planning and be able to ensure that to have your 'me time.' You really have to take advantage of it because if you continuously work then your input is affected; you need time to relax, time to interact with family and friends in order for you to re-focus," she says.

For her 'me time', Patricia enjoys singing in the choir. She is a choir member in the New Apostolic Church. "It is well with my soul" is among her favourite pieces that minister or communicate to her. She says she loves the song for its capability to calm anyone down and taking one to totally surrender to God to guide their steps.

"Most of the time during my spare time I go for choir practice, especially before COVID-19. I also do a bit of running up and down to make ends meet. I also visit family. I like cooking. I love traveling and reading," she emphasizes.

WORK/LIFE BALANCE

"Striking a life/work balance involves focus on what you want to achieve in a given time. It all starts with planning. If you set out to achieve something, you need to be focused on how to navigate around that particular task," she explains. "You need to know exactly what needs to come first, things you need to prioritise, things that can wait, things that you can delegate to other people and you must be good at supervising so that even when you delegate, you are sure that what you have delegated is being done."

In all this, Patricia praises her team of dedicated personnel in the directorate.

"My managers are excellent; their subordinates are excellent; and it is that interaction at personal level, planning together, the desire to have positive results together that has made me manage this directorate that is so demanding," she says.

INSPIRATION

At the time she begun her accountancy studies, Margaret Mwanakatwe, the current Lusaka Central PF member of parliament and former finance minister, was one of the luminaries that was a centre of attraction. When she started out on the accountancy journey, young Patricia did not exactly know these uncharted waters but when she assimilated the talk about Mwanakatwe, it inspired her and emboldened her resolve.

"For one reason, because she was very popular in that accountancy class, I took initiative to know more about her and I discovered that she was an accountant; maybe that's why the girls in that class were so passionate about her. Immediately I got to know what Margaret Mwanakatwe had achieved as an accountant, my motivation was exponentially raised. I said let me put more effort because I could relate and said with an accountancy qualification like this one, I could end up where she ended career-wise. She achieved quite a lot and as a role model, I am happy that I followed her footsteps," Patricia remembers with appreciation.

At a time she was working as Education Liaison officer at ACCA Zambia office, Patricia had a privilege to visit Mrs Mwanakatwe at her office at Kafue House in Lusaka. She and a work colleague, Mr Mukaba Mukaba, had gone to profile her for an article in the ACCA Magazine.

"Believe you me, it was like I had reached heaven when I went to her office. In her grace, she ushered us in. I entered her office, it was neat, even the aura around her depicted a professional," she says. "Even the way she carried herself, the humility with which she gave us the information that we required from her and just her passion to ensure the growth of the accountancy profession in Zambia, it was amazing. That day I said 'thank God, today I have managed to meet my role model'."

WORK EXPERIENCE

At David Kaunda High School, Patricia rose to the position of head of department for social sciences. In 2002, she responded to an ACCA advert for an Education Liaison Officer. She got the job. A few years later, she was promoted to Corporate Services Executive, a position which she held until 2010 when she chose to try something else. She got another job at the Auditor General's office as Senior Auditor under Specialised Audits Directorate.

"I didn't last long there because an opportunity at ZICA came through. I applied for the job of Membership Services Manager which I got and I started working for ZICA on 1st February 2011 and that is where I have been since then," she says.

In 2019, Patricia got promoted to head a newly established directorate - Directorate of Membership and Corporate Services - which oversees operations of ICT, Membership & Technical services and Business Development & Corporate Services.

"So I am 10 years at ZICA this year and happy for all the achievements the Institute has made thus far," she says with a smile.

ACHIEVEMENTS AND CHALLENGES

For a female professional, to be relevant to their areas of operation, Patricia posits that work/life balance is quite challenging.

"You have a home, you have children, you have a family, you have a husband. All these people need your attention. So it is possible that what happens at home can adversely affect your work at the office and vice versa," she says. "The challenge is to know when to put the pen down; close your diary, close your laptop and go home and be a wife, a sister, a mother outside the place of work. When you leave home for work, you need to know exactly what you want to achieve. If you are a person who is not able to discern home and office issues, you will find that you are mixed up in the middle and you are just running around like a headless chicken because you don't know what to do."

Patricia finds work/life balance the challenge for most females trying to ascend the corporate ladder.

However, she admonishes them that their resilience is what is going to make or break them.

From being a teacher to now a director, Patricia has lived a life imparting knowledge into the many people that have come into contact with her. She counts this aspect as her greatest achievement in her professional journey. She has always given her life as an example to encourage others – from students to workmates.

Patricia narrates an incident where she counseled a heavily pregnant student who wanted to defer her examinations because of her condition.

"I told her to sit down and offered her some water and told her that I needed to talk to her. She told me her fears of having to study for long hours in her condition and that she didn't think she would manage to pass examinations. I lent her a listening ear as she poured her fears to me. I narrated to her a situation I had faced in the past and I said 'I wrote my last NATEC exam when I was actually overdue in pregnancy. My exam finished at 12:00 hours at NIPA near UTH and at 18: 00 hours that same day, I was delivering my late daughter; only about six hours after the exam'."

"As a woman you cannot say I am going to wait to have children until I finish my studies or that I will study once I stop having children. Time waits for no one and unfortunately for a woman, a lot has to happen at the same time. So I encouraged that young lady that she could do it only if she could change her mind and stop her self-pity and especially that she confirmed that she did not have any complications. Her due date was a month after the examination session. So she took my advice because I was talking from a practical example of myself.

Patricia encourages students that what they set out to achieve is exactly what they would achieve if they put all effort.

"It is possible to give excuses to everything because you are a woman. I don't subscribe to that. If I set my eyes on a goal, in terms of school, I have to find a way in which I am going to deliver," she says. "That young lady heeded my advice. When the results came out, she had passed and she had not gone into labour. She was brought by her husband to my office, tears rolling down her cheeks thanking me for what I had done for her by giving her the correct advice. And she completed those exams. Right now the young lady is a proud Chartered Accountant."

Patricia advises young women pursuing their studies to shape their own futures.

"Of course, there could be some financial and social challenges here and there but if you are able to pay for exams and you are able to pay for tuition, do not miss an exam sitting because you are just delaying yourself. There is no time that the exam is going to be easier. It's just that when an exam comes, it has to be taken and I always say never leave a qualification hanging because you don't know when you are going to need it. Once you embark on studying, complete the qualification, that's my attitude, and bank it if at that moment you do not need it," she encourages.

ADVICE TO ACCOUNTANTS

Patricia advises the next generation to work hard to achieve the goals they set for themselves.

"If you keep setting many goals and for many years you don't achieve them, you are as good as anyone who has not set any goals," she emphasises. For Patricia, the accountancy profession is a very dynamic profession and

encourages the next generation of accountants to be resilient to safeguard the profession.

"Let's put in effort and show our relevance in the economy. Resilience in everything is very cardinal to the development of the accountancy profession in Zambia," she emphasizes.

WOMEN AND DECISION-MAKING

Patricia reckons the honour bestowed upon her as first female director of the Zambia Institute of Chartered Accountants.

Her recognition, she says, was not from without but was on account of hard work and impact she had created in her previous role, which made management and the board realise she had the skills set to deliver at that level.

"Females and decision making positions – I will keep saying that your motivation towards the work that you do is what is going to either make you achieve or fail in the role that you have been given. Apart from the qualifications and skills sets that you have, it is the attitude that you have towards what you are required to do, towards other people, your workmates, the board and everyone else who interacts with you that is going to show people that yes this person is capable of delivering," she says. "I will keep saying that work/life balance for females is a little bit more difficult because I am expected to cook at home. Even when I knock off late, I am expected to be there for the people that I live with even if I knock off from office at 22:00 hours. But that does not mean that just because I am a female director, I should always be making excuses that I can't do this because I have to do this and so on."

In decision-making, Patricia states that the substance that one is made up of is what is going to make them be heard or not be heard.

She disagrees with the notion that the females will not be heard, saying, "it depends on what substance you bring to the table".

"Just like any other male director you are in a meeting with, because of the position you hold, it doesn't matter whether you are speaking as a female or male as long as the you are making meaningful and informed contributions. It is all about positive results and more positive results," she says.

Patricia is also a team player. She realises that no one is able to achieve tasks all by themselves in the work place. "You are just as good as your team members. For me, I am glad that the team members that I have across the three departments that I run are professionals in their own areas. They are able to advise which direction we should take and I think as a directorate, for the almost two years now, I think we have achieved a lot and beyond expectation. So as the first Female Director at the Zambia Institute of Chartered Accountants, I stand proud today because it was a new directorate that was set, we had no one or nothing to learn from but I think it has ticked in the right direction and we are ready for more growth," she says.

Patricia is cognizant of female accountants that are shinning in their roles across the world. She emphasises on enhancing the female mentorship programmes currently being run with the Forum for Women Accountants in Zambia, headed by council member Madam Muyaka Ngulube.

She believes it is only through those interactions that the senior female accountancy professionals in positions of decision making will be able to impart their experiences and their skills into the young ones who will be able to take over.

"For the females that I have seen who are in key decision making positions across the country, they are selfless people. Most of them when you pick up a phone to call them, they are ready to assist. If you want something, they are going to advise. So that is the avenue that we want to open so that young accountants who want to learn from them can have a route through which they can access that information on how to be good or excellent at what they do," she says.

"In a nutshell, talking from the position of Director Membership and Corporate Services, we are happy with what the females out there are doing in the positions that they hold. You have seen how the President, Madam Cecilia Zimba, has ascended to that position. Resilience. She was vice-president, she went for it [presidency], she did her groundwork, she won and you can see what she is doing to make sure that the profession is growing. You have the CFO of ABSA, Venus Hampinda, you have the CFO of Zambeef, Faith Mukutu, you have the likes of Miriam Chiyaba, first CEO of the Zambia Qualifications Authority, and there are many other women out there who I would not be able to mention by name. Others are sitting or chairing boards of big institutions and you can see that they are doing wonders out there. So we need mentorship so that all of us can tap into skills that may not be readily achievable on our own."

ZICA GROWTH

Patricia is unmistaken about the Institute's growth from very few members of staff to the 40 staff complement today.

"In my view, the expansion of roles in the organisation shows that the Institute is growing and in expanding the staff complement, it means that we can cover all areas so that we deliver to society that which we are required to. In terms of membership numbers, when I joined ZICA in 2011, we were just slightly about 3000 members registered and in 10 years, that number has grown to over 100 per cent and it is still growing because of the interventions that have been put in place and the value that the members are deriving from the Institute," she explains.

"The Institute has been very dynamic in its operations to the extent that it has sourced partnerships to ensure that members derive value from their association with the Institute. It shouldn't just be a story of just paying subscriptions because it is required by the Accountants Act of 2008. It goes beyond that in that it makes our members feel a sense of belonging."

Patricia states with certainty that members have derived a lot of value.

"We want our members to stand and fly the ZICA flag high because of the value that they are deriving from the Institute," she says.

"So in terms of growth in both students and membership numbers, we are growing. In terms of strategic partnerships, we are growing. We are busy forging partnerships that are going to streamline the work that we do and also be able to ensure that the relevance of the accountancy profession is felt across the economy. We are an advisor to Government, we have a partnership with the Bank of Zambia, with ZRA, Immigration, and many other service organisations so that everyone who meets an accountant will know that that person belongs to the Zambia Institute of Chartered Accountants. That is the value that it is adding to society. So in that way we are happy with the growth that we are experiencing both in terms of numbers and also influence across society."

Patricia emphasizes unity among female accountants. "Accountants are better together", a theme derived from the Forum for Women Accountants in Zambia (FZWA).

"If we keep supporting each other in the profession through mentorship programmes and payment of subscription fees to ensure that the Institute is running for the interest of the members, then we are going to be better together. What does it mean to be better together? When accountants work as a team, regardless of where they are working, they will have a sense of belonging. This sense of belonging, knowing that another professional is watching out for you in unity is what is going to grow the profession exponentially. We will grow like wild fire, and that in whatever we say, whatever we do, we are going to post the results that we want," says Patricia. "We want to make a difference as a profession not because we are good at adding numbers but because we are able to use our skills to better the lives of the many Zambians out there and the economy as a whole."

Patricia urges all accountants, both those who are studying and those who are already qualified, to ensure they are as close to the Institute as possible. "We would like them to keep submitting their ideas on how to improve the operations of the Institute in order for it to serve their needs better. We cannot be in every corner of the country and if there is no interaction between members and the Institute, there will always be an expectations gap but when we are together and we do things together, when we get advice on what we need to do for you out there, then we are going to achieve our objective of being a profession that has achieved its objectives over the years, that of serving the membership diligently."

AFCFTA: 100 DAYS SINCE START OF FREE TRADING, PROSPECTS SEEM BRIGHT

Trading under the African Continental Free Trade Area kicked off on 1 January. The coming months will likely witness a convergence of fruitful outcomes of multiple moving parts.

By Kingsley Ighobor

On January 1, 2021, some 100 days ago this month, free trading officially commenced under the African Continental Free Trade Area (AfCFTA). Four days later, two Ghanaian companies became pioneer exporters of products using the AfCFTA preferences, marking a major milestone in the short but eventful history of the trade pact.

Alcoholic product manufacturers Kasapreko airfreighted a container-load of goods to South Africa, while Ghandour Cosmetics shipped by sea items to Guinea.

An event organized by the Ghanaian government to celebrate the first consignments of products exported under the AfCFTA conveyed much more than a perfunctory or historical symbolism, for several reasons.

Firstly, the conception, birthing, and now implementation of the AfCFTA continue to unfold with remarkable speed.

Negotiations spanning more than five years led to the signing of the trade agreement on 21 March 2018; it entered into force on 30 May 2019; free trading began on 1 January 2021 after a six-month delay following the COVID-19 outbreak.

FIRST SHIPMENT

And then, the first shipments took place on 4 January 2021.

Secondly, Africa's free trade area represents a decisive step toward the continent's long-held regional integration aspiration.

Thirdly, the start of free trading rekindles hope in Africa's post-pandemic recovery. The Secretary General of the Accra-based AfCFTA Secretariat, Wamkele Mene, emphasized throughout these past 100 days—and before then—that effective implementation of the trade pact is the post-pandemic stimulus Africa needs.

"Increased intra-African trade is what will drive economic development post-COVID-19," Mr. Mene told Africa Renewal in an earlier interview.

The AfCFTA establishes a single market for made in Africa goods and services, eliminates tariffs by 90 per cent and tackles non-tariff barriers such as customs delays.

A unified market of 1.2 billion people with a combined GDP of $3 trillion is potentially a strong foundation for industrialization. Currently intra-African exports stand at about 17% of total continental exports. Increasing this share is expected to increase value addition, help create jobs and boost incomes.

Mr. Mene has devoted considerable time and energy superintending a successful takeoff of free trading. He has been ubiquitous in Africa's state capitals, from Niamey in Niger, to Addis Ababa in Ethiopia, Lome in Togo, Khartoum in Sudan and others, meeting with political and business leaders, youth and women traders, touting AfCFTA's benefits, entreating traders to seize the opportunity, and highlighting solutions to emerging challenges.

He continues to promote the agreement with eloquent aplomb—with urgency and ardency.

"We are not going to get another opportunity to integrate; this is our last opportunity," he said at a press briefing in January.

"There is not a single African country that can work alone to trade its way out of poverty," he opined at an event in New York just last month.

While in New York, together with Ambassador Fatima Kyari Mohammed, the Permanent Observer of the African Union (AU) to the UN and Ms. Ahunna Eziakonwa, the Director of the UN Development Programme's Regional Bureau for Africa, Mr. Mene signed an MOU.

The MOU relates to UNDP's support for, among others, the AfCFTA in strengthening the capacities of national customs authorities, digitising intra-African trade and enhancing export readiness of women- and youth–led SMEs.

The optimism heralded by the start of free trading aside, 36 AU member states have so far deposited their ratification instruments.

Countries ratifying the agreement can trade with each other based on their tariff concessions and proposed rules of origin. Currently, about 90% of the rules of origin are in, while the remainder are expected before the end of July 2021.

Meanwhile, just three countries—Ghana, South Africa and Egypt—had established the necessary customs infrastructure for trading at the start of free trading last January.

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NATURE TOURISM CAN RECOVER OUR ECONOMY IF WE INVEST IN IT

By Nachilala Nkombo
WWF Zambia Country Director

TOURISM is a powerful vehicle for economic growth and job creation all over the world. According to the World Bank, the tourism sector is, directly and indirectly, responsible (WTTC 2011) for 8.8 per cent of the world's jobs (258 million), 9.1 per cent of the world's GDP (US$6 trillion), 5.8 per cent of the world's exports (US$1.1 trillion), and 4.5 per cent of the world's investment (US$652 billion). If not for the advent of the Covid19 pandemic, the World Travel & Tourism Council estimated that the tourism industry could have created 3.8 million jobs (including 2.4 million indirect jobs) in SubSaharan Africa between 2011 and 2021. The only thing standing between us and these millions of dollars is ourselves. We are allowing the destruction of nature at a faster rate than it can replenish itself and can attract a wealth of tourists to tour our whole country and leave us the much needed foreign exchange

While Africa's landscape enjoys significant attention from some media outlets, African governments, and industry players in Africa have much to do to increase Africa's global market share. The industry is currently heavily susceptible to several existing constraints such as multiplicity of taxes on tourism investments, low levels of tourism skills, lack of security, safety and high crime, public health, and a lack of touristic diversity.

In countries such as Zambia, the lack of diversity rings true. The tourism industry depends heavily on wildlife and freshwater sources such as around the Victoria Falls and Luangwa valley. In a country where wildlife estate makes up one-third of the country's total 753,000 sq metres, encroachment and illegal/unplanned settlements into wildlife areas have led to habitat loss and extinction and increased poaching of key iconic African species such as rhino, elephants, lions and wildebeest. Despite a ban on international trade in ivory, African elephants are still poached in large numbers. Tens of thousands of elephants are being killed every year for their ivory tusks. In the 1980s, an estimated 100,000 elephants were killed per year. The situation is not yet under control today. If not stopped, this nature crisis means tourism's potential to deliver opportunities and sustainable development for the country altogether has its feet cut at the hip.

The Zambian ecotourism sector is centred on wildlife and safari hunting as the most crucial formal revenue stream with the potential for further development. However, this development will be challenging to achieve with the current low levels of investments in protecting our wildlife assets. Without wildlife and nature, there is no tourism in Zambia. As such, investments and actions to stop the nature crisis will go a long way in securing the country of millions of dollars in revenue and hundreds of thousands of jobs.

The Zambian Department of National Parks estimates that an effective workforce must consist of 4800 people, a figure for which they have no funding. This lack of financing translates into poor enforcement of anti-poaching laws and other regulations to safeguard the sector.

For this and other reasons, the World-Wide Fund for Nature in Zambia (WWF Zambia) is looking to direct the attention of policymakers and business leaders to invest in the full potential of tourism to deliver green growth and green jobs. Practically, the organisation is engaging leadership on different levels to increase funding to the wildlife sector in the financial year 2022, grow the restocking of depleted species and go further to maintain their habitats as well as to stop mining and infrastructure development in wildlife corridors.

As soon as global governments bring Covid19 under control, investments in tourism infrastructure and support services will position Zambia towards a rapid economic recovery that should deliver growth, sustainability and jobs needed by much of its youthful population that is ready to drive Zambia's economic agenda. Beyond tourism, natural resources of this country provide the monetary base to drive sustainable development, however, poaching and unsustainable harvesting of forest, fish and water if not stopped or regulated, are setting a foundation for a deeper economic crisis. A healthy natural environment is also the number one buffer to all business and social effects of climate change. Losing nature, adds further long-term vulnerability to our economic resilience. Similar to Australia, Zambia's tourism, if reorganised, can deliver more for the country than mining. According to the Australian Bureau of Statistics, the value of inbound tourism for May 2015 was up 11% on the previous year. Total tourism income for the year to the end of May 2015 stood at $17 billion, beating coal at $16.5 billion. With the Government's commercial approach to conservation of wildlife, through bold and targeted investments to restore and protect nature, Zambia and Africa can achieve the same results as Australia.

SELF-PROMOTION:
HELPING WOMEN OF MODESTY

I ATTENDED a seminar with my colleagues; I was the only female in our delegation. The seminar was on the introduction of some new labour laws and one of the presenters was a young female lawyer who actually held a senior position. The presentation was quite controversial and I was thrilled that she was candid and firm during her presentation and responses to questions. At the end of the seminar, I could overhear my male colleagues talk about how rude and disrespectful she was and that she was too portentous. The only reason they said so was because she put them in their place when they tried to undermine her.

This got me thinking, whilst I was seated and listening to her, I was amazed at how confident she was and how well she carried herself at the same time my male counterparts found her self-esteem disrespectful. I decided to share my thoughts on Self-Promotion and helping women break the barrier of modesty.

"What is the first thing you think of when you here the term self-promotion?"

Self-promotion [1]is a useful tool in both the workplace and everyday social interactions. It allows individuals to directly signal their "good" qualities and actions to others. This may play a role in acquiring a higher social image. Crucially, self-promotion can also help one achieve professional recognition and career progression. Although self-promotion has several benefits, it might also negatively be perceived by others as a violation of social modesty norms, especially when it comes to women. The lady presenting was merely standing her ground and ensuring that her professional stance and opinion was respected. But because of how she "Self Promoted", she was judged by male colleagues as being pompous and disrespectful.

> "To be accepted as leaders, women often must walk a fine line between two opposing sets of expectations."

In the business world, women leaders are still a minority. This statement comes as no surprise to most of us; what is surprising is that men outpace women in leadership roles across every sector in the world: corporate, nonprofit, government, education, medicine, military and religion. At Fortune 500 companies, however, women hold only 19 percent of board seats and 15 percent of executive officer positions, and the number of female CEOs at these companies is a paltry four percent. Four percent of 500 companies translates to 20 female CEOs, with male CEOs running the remaining 480 companies.[2]

When you look at it from this perspective, women have a long way to catch up. The significance of these statistics and the implications on leadership are cause for both concern and discussion. What is causing this gap and keeping women from advancing to the top?

Research with senior leaders in Silicon Valley found that the top criterion for promotion is visibility. A Human Resource professional once told me, the saddest comment he hears when a panel is evaluating a female candidate for a high-level position is, "I have no idea who she is". It's not enough to be a legend in your own mind. You need to make others aware of your talents and accomplishments. But what makes women less inclined to self-promote than men, even for a job or position they are fully qualified for? Below we explore a number of contributing factors that affect women to self-promote.

Social Norms: Various studies in psychology theorise that the social expectations to be modest affects women disproportionally. Earlier empirical studies in psychology suggest that when women present themselves in public, they are likely to undersell their achievements relative to men[3]. Furthermore, there is also evidence that women may feel uncomfortable when engaging in self-promotion which, they do not experience when promoting others.

At any given point in a woman's career, she is likely to experience one or more of these barriers discussed below. Sometimes the barrier is unconcealed, and other times the barrier will be concealed. For example, a mother with a young child at home applies for an assignment that requires more travel. She may not receive the assignment and may be told that another candidate is more qualified, which is false. The real reason is that the boss assumed that because she has a young child, she won't want to travel or commit to the assignment. She is passed over as a result of gender stereotypes.

Structural barriers which include lack of access to important informal networks, such as the golf sporting events or simple after-work drinks. Often, men assume that women don't want to take part in these types of events, so they don't invite them. We must be more inclusive with our networks and social events. Men need to invite women, and women need to invite men. Chances are they'll have fun too, and you never know what the outcome may be when diverse groups interact. It is the best way to fully leverage talent and remain competitive

1 https://www.researchgate.net/project/Gender-Stereotypes-and-Behavior

2 Grant Thornton, Women in Business 2020: Putting the Blueprint into Action (2020): p. 4.

3 Gould&Slone 1982, Daubman, et all. 1992

in your industry.[4]

Institutional mindsets include various types of gender bias and stereotyping. There is usually a common belief that gender differences make women and men effective in different roles. Thus, women are less effective to the extent that the leading role is masculinised, and men are less effective when the role is feminised. For example, a woman can be a very effective military leader, but her platoon may not support her, because she's in a role considered to be contrasting with femininity. A similar problem exists with male nurses: a man can be an excellent nurse, but those he cares for may not receive him positively, because he is in a role considered incongruent with his gender.

Institutional mindsets are the most significant barrier and are a major reason that we don't see more women in top positions. People make assumptions about women as leaders based on their stereotypical roles in society. Even more worrisome, much of the bias that people have toward women is unconscious. One solution is for women to proactively and consistently communicate their desires to advance, travel or take a new assignment. This type of communication will help put to rest any assumptions made about them.

Individual mindsets are the thoughts and behaviours women might have that hold them back. Research shows that most women reach the director level and stay there. The majority of women do not pursue vice-president or president positions for numerous reasons, including socialisation pressures, lack of confidence, risk aversion, valuing work-life balance or a desire to avoid politics.

It's important to note that women often want different things than men do and are confronted with barriers that men do not have to face. As a result, many women have opted for the private sector, nonprofits or startup companies, where there are a significant number of female owners, leaders and employees.

One example of individual mindsets or limitations that affect women's progression is office housework: getting the coffee, taking the notes, planning office parties and all the other behind-the-scenes work that helps a company run smoothly. Women frequently volunteer for office housework, which is time-consuming and often isn't recognised. On the other hand, men tend to volunteer for activities that are more visible. Women should avoid volunteering for these types of activities every time. While they are supportive and helpful, let other employees contribute, including men. If you are responsible for selecting people for these activities, assign tasks rather than asking for volunteers, so you ensure an even gender distribution.

Lifestyle choices that include work-life balance, family choices and breadwinner/caregiver priorities. Lifestyle choices and work-life balance priorities are more valued now than in previous generations. The most recent data show that millennial men value work-life balance as much as women have for the past several decades. However, there are many companies who still adhere to rigid work hours, structure and policies.

Eliminating gender inequalities is a top priority for most international organisations, NGO and governments in the world. This collective effort has resulted in significant achievements in the recent years, including improvements in female access to education and healthcare. However, the gender ratios in many organisations and governments are still skewed. One likely factor contributing to the gender gap in the labour market is women's reluctance to self-promote, relative to men. This will place them at a disadvantage relative to men where self-promotion is essential for acquiring a positive social image and career success. It is essential for both men and women to be aware of these barriers and work together to minimize them by breaking social modesty norms and expectations on women.

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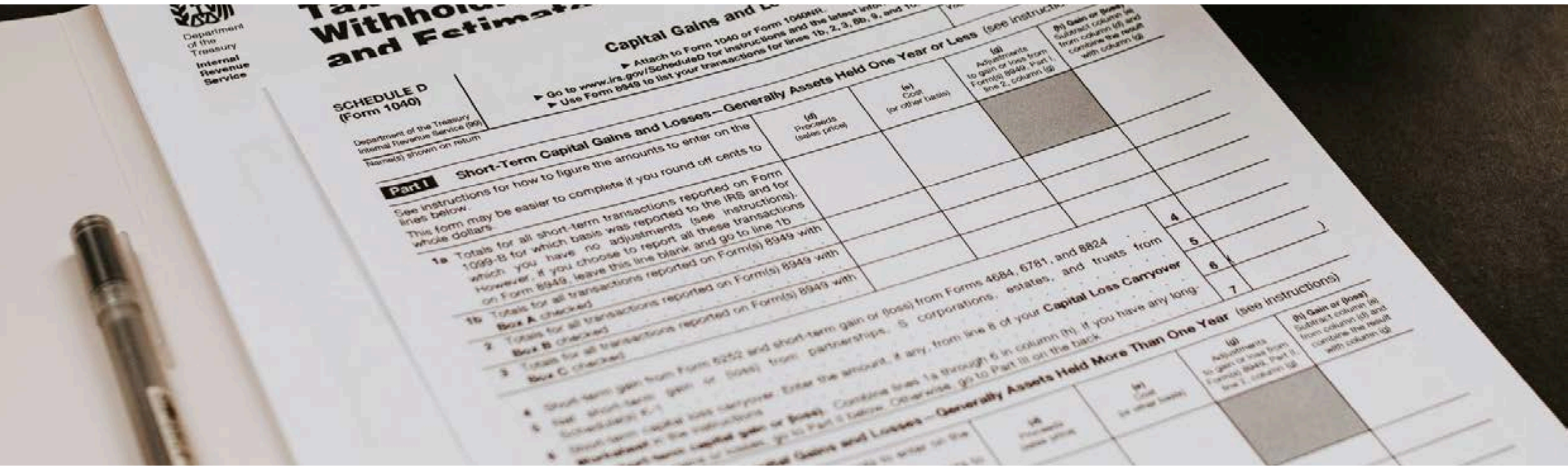
Ngosa Chikaka is an all-encompassing marketing and communication professional with over 10 years experience in the education and service industry. She has a proven track record of developing, implementing and managing corporate brand positioning and communication for different target audiences. She has special interest in Service Marketing, Education Branding, Strategic Marketing, Customer Experience, Digital Marketing and Corporate Communications

4 International Labour Organisation https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---act_emp/documents/publication/wcms_601276.pdf

ZICA URGES INVOLVEMENT OF SENIOR POLITICAL LEADERSHIP FOR SUCCESSFUL IPSAS ADOPTION, TRANSITION



By the Accountant Writer

THE Zambia Institute of Chartered Accountants Act of 2008 tasks the Institute to develop, promote and enforce internationally comparable practice standards in Zambia. One sect of standards that are globally embraced is the International Public Sector Accounting Standards (IPSAS) that Zambia has committed to fully comply with by 2024. The institute has since 2010 been raising awareness on IPSAS and increasing the skill base among accountants in Zambia. The Institute has been conducting annual workshops for public sector accountants. This year's workshop was held in the tourism capital, Livingstone, at Chrismar Hotel from April 8 – 9, 2021.

Opening the workshop, ZICA President Cecilia Zimba told participants that the training was specifically designed to equip them with the required knowledge to aid the transition and application of accrual basis International Public Sector Accounting Standards (IPSAS). This, she said, was to ensure that participants were able to apply the knowledge gained by making informed decisions about resource utilisation, and improved financial information to support governance and decision-making.

"Allow me to commend the Accountant General for his commitment to improve the Public Sector Financial Management and his support and leadership on the IPSAS implementation project. Additional involvement of senior political leadership in this process is desirable, if it is to be successful," she told them.

According to Madam Zimba, the ZICA research on the subject has shown that countries that have successfully implemented IPSAS are backed by strong political will and wider stakeholder engagement.

With its emphasis on transparency and accountability, Madam Zimba said, there would be politically sensitive issues that the implementation of accrual accounting IPSAS will need to identify and address.

"IPSAS implementation will also entail consolidation of all government assets and liabilities including military installations and other sensitive installations. It will also require harmonisation and review of existing legislations to ensure that there is a legal basis for preparing accruals accounts and for requiring them to be audited by the Auditor General. Therefore, ensuring there is political buy-in across the board early in the project is important," Mrs Zimba holds. "It is thus our expectations that the full wings of Government will get involved and have a full understanding of the IPSAS implementation project."

Among other issues, Mrs Zimba informed the participants that the Institute issued an accounting pronouncement to give guidance on the applicability of accrual basis IPSAS in Zambia in 2018, which entails that effective 1st January, 2024, all Government Ministries, Provinces and Spending Agencies will be required to prepare financial statements under the accruals IPSAS framework though early adoption is encouraged.

"The coverage includes Central Government, Grants assisted entities, Local Authorities and related government entities such as Agencies, Boards, Commissions and Not for Profit Organisations," she said.

Mr Kennedy Musonda the Accountant General, Ms. Musonda Tembo, Head of Finance, World Food Programme (WFP), Mr. Kelvin Chungu, Managing Partner, Nolands Zambia and Ms. Irene Mwamba, Senior Manager, KPMG were the training workshop's resource persons.

ZICA secretary and Chief Executive Officer Bonna Kashinga in his welcome remarks said as regulator of the accountancy profession in Zambia, the Institute's mandate is to ensure that ethical standards are upheld at all times by all accountants practicing in the country.

According to Mr Kashinga, it would be a disservice to the profession and the Zambian people if ethical standards were not adhered to, ignored or violated.

"For this reason we decided to create this platform which is held annually to help us engage our members in the Public Sector, Not for Profit organisations and from Public Practice on how best we can tackle Financial Management challenges, improve the internal control environment and Financial Governance in the country," Mr Kashinga said.

He informed the participants that ZICA has been working on a number of projects to address financial management in the public sector.

"Owing to the fact that the Accounting curricula is biased towards accounting for the private sector, there was a need for the development of the Public Sector Financial Management (PSFM) Programme specifically designed to meeting the professional requirements of Accountants in the public sector," Mr Kashinga indicated.

"In addition, it is the Institute's desire and mandate to ensure that all Accounting personnel working in the Public Service are in good standing with the Institute as required by the Accountants Act of 2008."

The CEO also took the opportunity to thank the Zambian Government, through the Accountant General's Office, for the support they have rendered in ensuring that Accountants in Government are in good standing with the Institute.

IASB EXTENDS SUPPORT FOR LESSEES ACCOUNTING FOR COVID-19-RELATED RENT CONCESSIONS

The International Accounting Standards Board (Board) has today extended by one year the application period of the practical expedient in IFRS 16 Leases to help lessees accounting for COVID-19-related rent concessions.

In response to calls from stakeholders and because the COVID-19 pandemic is still at its height, the Board has extended the relief by one year to cover rent concessions that reduce only lease payments due on or before 30 June 2022.

The original amendment was issued in May 2020 to make it easier for lessees to account for COVID-19-related rent concessions, such as rent holidays and temporary rent reductions, while continuing to provide useful information about their leases to investors.

The amendment is effective for annual reporting periods beginning on or after 1 April 2021.

PROPOSED REVISIONS TO THE DEFINITIONS OF LISTED ENTITY AND PUBLIC INTEREST ENTITY IN THE CODE

This exposure draft proposes revisions to the *International Code of Ethics for Professional Accountants* (including International Independence Standards) that broadens the definition of a public interest entity (PIE). These revisions include more categories of entities, given the level of public interest in their financial condition, for the purposes of additional independence requirements to enhance confidence in their audits.

Among other matters, the proposed revisions:

Introduce an overarching objective for additional requirements to enhance confidence in the audit of financial statements of PIEs.

Provide guidance on factors to consider when determining the level of public interest in an entity.

Broaden the definition of PIE to additional categories of entities.

Replace the term "listed entity" with the term "publicly traded entity" and redefine that PIE category.

Introduce new requirements for firms to determine if additional entities should be treated as PIEs for independence purposes and to publicly disclose if an audit client was treated as a PIE.

Recognize and encourage local regulators to refine PIE categories in regard to national conditions.

Comments requested by May 3, 2021.

Hyperlink - https://www.ethicsboard.org/international-code-ethics-professional-accountants)

MEMBERSHIP MATTERS

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4	Adam Ahmed	F005972
5	Cintu Kavimba	F005683
6	Emmanuel Matafwali	F005492
7	Pumulo Lubinda	F004929
8	Charity Lombe	F006320
9	Grace Zulu	F003061
10	Charles Musonda Namakando	F004641
11	Nickson Kalesu	F004334
12	Mwampatisha Chrispin	F008261
13	Mudenda Kaingu	F008268
14	Mukaluwo Anayawa Moono	F007984
15	Besto Muulu	F008991
16	Peter Lunda	F008726
17	Teddy Malama	F009496
18	Mwiya Mwiya	F009500
19	Inonge Mungandi Kumwenda	F009495
20	Mangani Weluzani Phiri	F009493
21	Zamiwe Natasha Mwape	F009492
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26	Mbanga Nyambe	F007131
27	Muliokela David Wakunuma	F006783
28	Ceciwa Banda	F003237
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3	Saili Zakeyo	A012606
4	Musuku James Mutoni	A012607
5	Lizzie Mphande Muwowo	A001823
6	Praise Mate	A003188
7	Njobvu Kennedy Chapingiza	A005923
8	Aaron Kabwe	A006707
9	Lazarous Chimponda	A006932
10	Namwaka Akapelwa Kandala	A006953
11	Kalobwe Musonda	A010596
12	Samson Phiri	A006736
13	Gregory Kafula Chisanga	A009136
14	Tiyezye Mulenga	A011334
15	Claire Moyo Chihili	A004509

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19	Kasese Ronald	F007132
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6	Muyanga Patson	A012719
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9	Chebo Chisulo	A003725
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15	Timothy Chibwe Musonda	A007761
16	Mutale Nkole	A008087
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20	Doris Bwalya	A009063
21	Tamara Caroline Banda	A009971
22	Mabanga Cynthia Kayombo	A010373
23	Moba Mwamba Mercy	A010840
24	Oneil Simbule	A010990
25	Julius Mutati	A011807

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6	Kalota Fanwell	F009617
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7	Mpalula Mike K	A009630
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12	Abby Banda	A009830
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15	Isaac Nkhosi	A007101
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