



2023

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# Standards and Regulatory Board Annual Report





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*Our Mission is to regulate and promote excellence in the accountancy profession, championing the highest standards in education and ethics, shaping a future where professionals contribute significantly to Zambia's economic prosperity and global standing*

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## CHAIRPERSON'S STATEMENT

On behalf of the Standards and Regulatory Board, it is my pleasure to present to you the Board's Annual Report for 2023. The Board's activities in relation regulation and compliance continue to be consistent with the vision of the Zambia Institute of Chartered Accountants ("ZICA or "the Institute") of "upholding the highest professional standards in accountancy education and practice to the satisfaction of stakeholders". Working with the Institute, the Board ensured that accountants were adhering to the provisions of the Accountants Act of 2008, other professional standards and codes, and relevant laws and regulations that hinge on the existence of the profession. Accountants are also subject to other principal acts such as the Financial Intelligence Centre Act No. 46 of 2010 (as amended). During the period under review, the Board noted with concern the increased number of reported cases of professional misconduct mainly attributed to non-compliance with the Code of Ethics for Professional Accountants as well as laws and regulations. continues to challenge the accountancy profession to uphold high ethical standards in their work and practice.

During the period under consideration, Practitioners' engagements were held in April and December 2023, virtually and physically, respectively. Fundamental issues that were discussed during the engagements included common audit monitoring review findings, importance of understanding beneficial ownership by Auditors, IFRS updates, remaining ethical in the wake of economic hardship, ESG, climate change and green financing. Other than technical matters, the engagements also provided a platform to highlight the importance of mental health in the workspace. Furthermore, the Standards and Regulatory Board took note of the Institutes consultative meetings at the Ministry of Finance and National Planning.

The Board took note of other engagements with the Ministry of Justice on the Chief Justice Rules, which are meant to enhance the Institute's disciplinary procedure once adopted as well as the Institutes meetings with the National Prosecution Authority (NPA) on the strategic partnerships on prosecution of individuals holding out.

The Board commends ZiCA and the profession for the rise in audit quality as seen from the number of satisfactory outcomes recorded from the audit monitoring inspections. To further enhance audit quality, the Board is of the view that the Institute should continue to engage with relevant stakeholders and hold firms to account on audit improvement measures.

Further, the Institute continues to encourage its members to continue familiarizing themselves with topical issues such as Climate and Nature related, Environmental, Social and Governance (ESG), Integrated Reporting, Gender and other national development issues and position themselves by providing professional services that address these challenges. In addition, the Institute continues to implore firms to offer their clients alternative sources of finances such as Green Bonds and other financing instruments driven by technology.

A key achievement for 2023 was the adoption and approval of the sustainability standards (IFRSS1 and IFRSS2) in Zambia. This puts Zambia among the list of jurisdictions that have signaled their commitment to the fight against climate change by ensuring that a common reporting framework is in place to address Greenwashing. Thus the outlook for 2024 includes development of a road map for migrating Zambian firms towards sustainability reporting. ZiCA also plans to enhance the practice review framework by

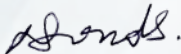
aligning it to the Pan African Federation of Accountants' Framework. The institute also targets to undertake up to 33 practice reviews in 2024.

Let me take this opportunity to express my sincere gratitude to the out-going Chairperson Ms. Mutumboi Mundia for steering this ship steadily and providing excellent leadership for the past years. Secondly, let me thank management for continually bringing the Board up to speed with developments in the profession through the quarterly reports and pronouncements. To my colleagues on the Board, thank you for your dedication and selfless service, which has enabled the Board deliver on its mandate. To the esteemed members we remain grateful for your resolute commitment.

Whilst 2023 was a challenging year for Zambia in terms of achieving its developmental aspirations, 2024 and beyond will continue to be more challenging. The call on ZiCA members is not only to strive for high standards of conduct, but to ensure in so doing they are generating solutions to the challenges currently faced by the country. Accountants are not merely bean counters, increasingly we are playing non-traditional roles in the public and private sector that provide an opportunity for us to excel for the benefit of the Country.

Let us strive to uphold the good reputation that is expected of us even as we serve the public interest.

Thank you.



NONDE SICHILIMA  
CHAIRPERSON

## MANDATE OF THE BOARD

The primary purpose of the Standards and Regulatory Board is to promote and maintain the integrity of the accountancy profession by overseeing compliance with relevant standards and regulations governing the profession. The Board reviews the decisions of the Practice Review Committee and considers the aggregated results of Competence Practice Examinations for individuals wishing to become practitioners. The Board also receives for its information reports on complaints from the public regarding alleged or actual professional misconduct by the members of the Institute. Further, the Board receives quarterly reports from the Taxation Committee, Public Sector and Technical Committees for necessary action. In addition, the Board receives reports of the audit monitoring reviews from the Practice Review Committee. The Board considers decisions of the Practice Review Committee and its decisions on such matters are final.

### COMPOSITION OF THE BOARD

The Board comprises representatives from the following institutions:

1. Securities and Exchange Commission (SEC);
2. Pensions and Insurance Authority (PIA);
3. Bank of Zambia (BOZ);
4. Competition Consumer Protection Commission (CCPC);
5. Accountant General's Office (AG);
6. Chairperson - Practice Review Committee (PRC) - Ex-officio;
7. Chairperson - Technical Committee (TEC)- Ex-officio;
8. Chairperson - Public Sector Committee (PSC) - Ex-officio;
9. Chairperson - Taxation Committee (TAC)- Ex-officio.

### Membership and Attendance 2023

No.	Name	Institution	Meetings Held	Meetings Eligible to attend	Meetings Attended
1.	Ms. Mutumboi Mundia ( <i>Outgoing Chairperson</i> )	SEC	3	2	2
2.	Mr. Nonde Sichilima ( <i>Incoming Chairperson</i> )	SEC	3	1	1
3.	Mr. Vestus Chungu	CCPC	3	3	2
4.	Ms. Natasha Zimba	PIA	3	3	3
5.	Ms. Lyness Mambo	BOZ	3	3	3
6.	Ms. Nsandi Manza	AG	3	3	3
7.	Mr. Andrew Sikwanda	TEC	3	1	1
8.	Mr. Nathan Mutale	TAC	3	1	1
9.	Ms. Chisanga Musonda	PSC	3	3	3
10.	Mr. Robert N'guni	PRC	3	3	3

## ACTIVITIES DURING THE YEAR

The Board received reports from the Practice Review, Technical, Taxation and Public Sector Committees during its three sittings in the year.

The following were the main deliberations of the Board:

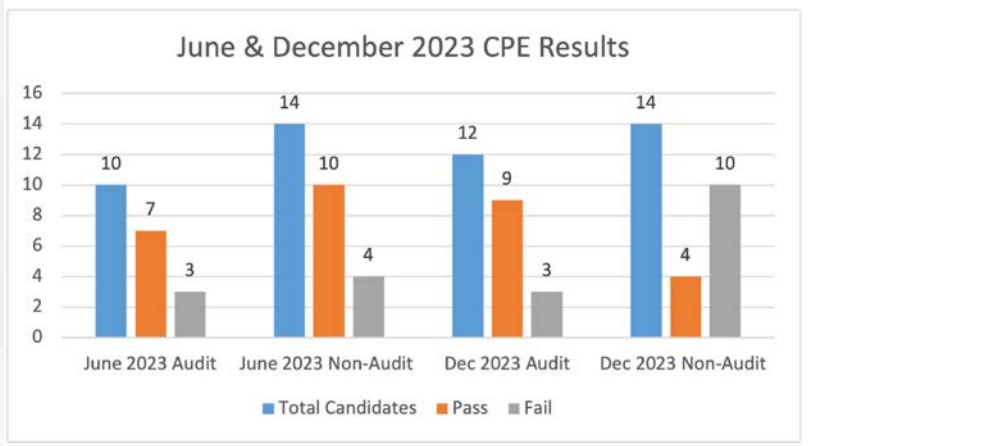
### Competence Practice Examinations

During the year, the Board approved the results of the Competence Practice Examinations for the June 2023 and December 2023 sittings. A total of twenty-four (24) candidates attempted the June 2023 examinations out of which 10 were for audit and 14 for non-audit. While for December, a total of twenty-six (26) candidates attempted the examinations out of which twelve (12) were for audit and fourteen (14) were for non-audit. The pass rate was 70% for audit and 71% for non-audit for the June exams translating into seven (7) and ten (10) respectively, whereas for the December exams nine (9) representing 75% pass rate for audit and four (4) representing a 29% pass rate for non-audit was achieved for the December 2023 exams. See chart 1 below.

The poor performance in non-audit from 71% in the June diet to the decrease to 29% in the December diet was attributed to the following reasons as assessed by the examiner:

**“ Scanty knowledge of candidates in non-routine areas such as sustainability reporting and cyber security among others. The non-routine areas accounted for 34% of the entire examination. In addition, performance in almost all the topics were generally poor with some candidates scoring less than half allocated marks. ”**

Chart 1: June and December 2023 Results

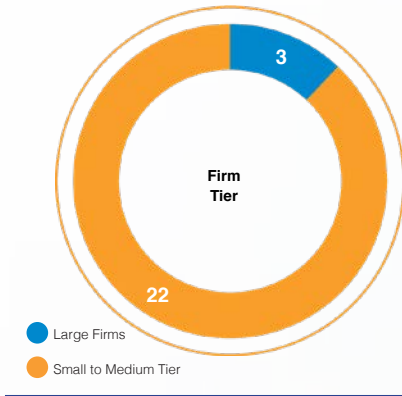


### Practice Review Reports Considered During the Year

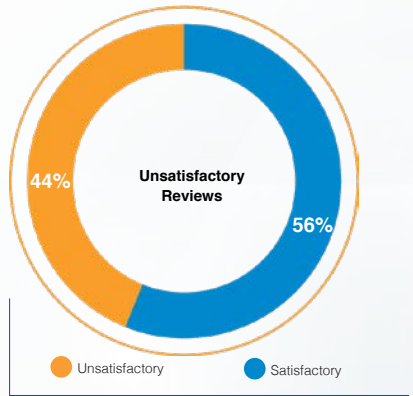
The Board considered twenty-five (25) audit monitoring visit reports. Three (3) visits were to large firms while twenty-two (22) were to Small and Medium Practitioners (SMPs).

The three (3) reviews of the large firms were all Satisfactory. The twenty-two (22) SMP reviews consisted of eleven (11) that were Satisfactory and eleven (11) that were Unsatisfactory.

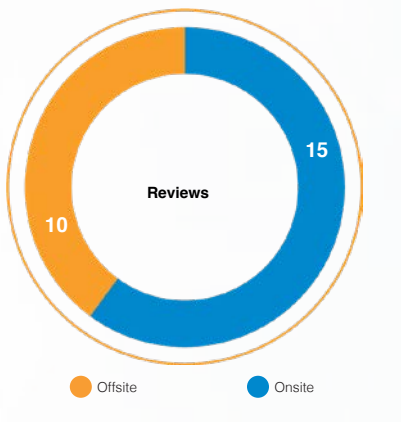
**Chart 2: Analysis of Reviews**



**Chart 3: Analysis Satisfactory and Unsatisfactory Review**



Fifteen (15) reviews were onsite i.e. conducted at the auditor’s premises while ten (10) visits were offsite.



**Chart 4: Analysis Of On-Site and Off-Site Review**



## Complaints from the Public

ZICA deals with complaints in respect of its members and students, including allegations of conduct unbecoming of professional accountants. Complaints are received from a variety of sources including dissatisfied clients, employers of members, other practitioners, members of the public and referrals from departments within ZICA. Complainants can lodge a complaint by either sending an email through the ZICA Complaints email or writing a letter to the Institute.

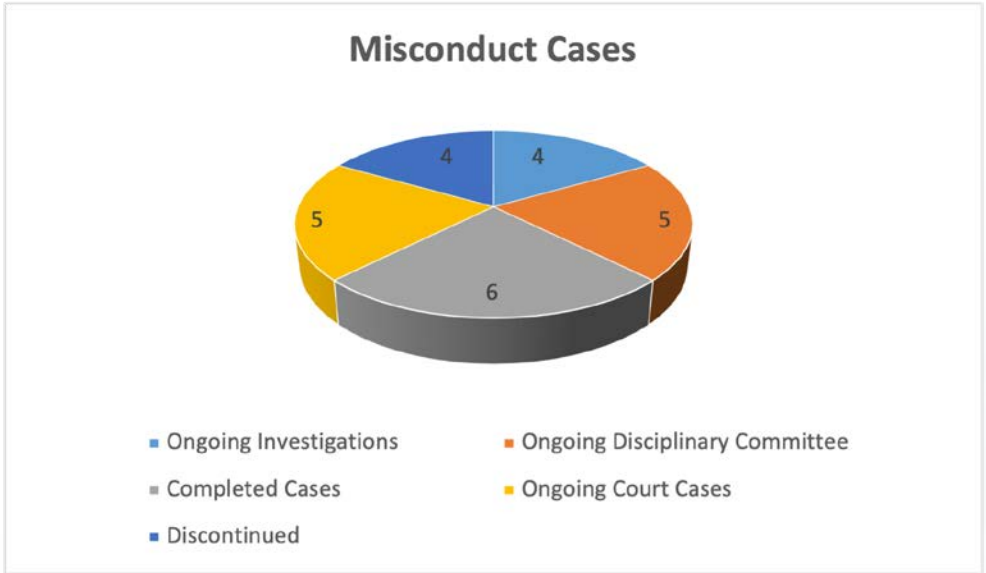
ZICA's responsibilities encompass counseling, investigation, and disciplinary. In all these areas, ZICA acts in the public interest and in accordance with the principles of better regulation. It strives to take effective and proportionate disciplinary action, where appropriate, while carrying out procedures that are consistent and transparent.

ZICA as a national regulator applies the same standards to all its members and students countrywide. Therefore, ZICA is mandated to act, and be seen to act, appropriately and robustly when its members or students fail to meet those standards. Table 1 and Chart 5 below provides a summary of the number of cases considered during the year ended December 2023.

**Table 1: Number Of Cases Considered for Year 2023**

Nature and Status of Cases	Number of Cases
Ongoing - Investigations	4
Ongoing- Disciplinary Committee	5
Ongoing- Court Cases	5
Completed	6
Discontinued	4
<b>TOTAL</b>	<b>24</b>

Chart 5: Misconduct Cases for Year Ended December 2023



## APPENDIX I: PRACTICE REVIEW COMMITTEE

The overall purpose of the Practice Review Committee is to ensure that audit work carried out by practicing members is of high standard and is in compliance with International Standards on Auditing and International Standard on Quality Control and the Code of Ethics for Professional Accountants.

The Committee comprises representatives from the following:

1. Zambia Revenue Authority (ZRA);
2. Lusaka Securities Exchange (LuSE);
3. Bank of Zambia (BoZ);
4. Energy Regulation Board (ERB);
5. One representative from users of financial statements;
6. One representative from the big firms;
7. One representative from small to medium firms;

The Committee receives reports of the audit monitoring reviews carried out by the Practice Review Department of the Institute. The decisions of the Committee are presented before the Standards and Regulatory Board whose decisions are final. In cases where decisions require the disciplining of members, such matters are referred to the Disciplinary Committee for further determination. During the period under review, the Committee considered twenty five (25) audit monitoring visit reports. Three (3) visits were to large firms while twenty two (22) were to Small and Medium Practitioners.





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