

2024

Standards and Regulatory Board Annual Report





53.45%

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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

+32.69%

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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 2024. The Board's activities in relation to regulation and compliance continue to be consistent with the vision of the Zambia Institute of Chartered Accountants ("ZICA or "the Institute") of "A reputable leader in developing competent and ethical finance professionals." 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 Acts such as the Financial Intelligence Centre Act No. 46 of 2010 (as amended) ("FIC Act"). ZICA through the Directorate of Standards and Regulation has been working with the Financial Intelligence Centre (FIC) to ensure compliance with AML/ CFT regulations as stipulated under the FIC Act. The Institute has noted that some Firms did not comply with requirements of the Financial Intelligence Centre Act to appoint Compliance Officers and in some cases did not submit Suspicious Transaction Reports to FIC. I wish to take this opportunity to encourage all practitioners to ensure that they adhere to the requirements affecting the Designated Non-Financial Businesses and Professions (DNFBPs) sector under which all practitioners fall.

In 2024 the profession like everyone in Zambia was impacted by the challenges experienced nationwide stemming from the drought which impacted various sectors of the economy such as energy. As we may all be aware, energy has a trickledown effect and therefore, the challenges with the devastating effects swept across the Zambian economy. Despite the challenges, the profession remained resilient and found ways to be innovative.

During the year under review, the various Committees of the Board deliberated on several pertinent issues and had wide collaboration with stakeholders. I want to take this opportunity to thank the Chairpersons of the Committees of the Board for their unwavering support in ensuring the Board achieved its mandate.

As earlier alluded to, the engagements with the FIC culminated in the holding of a virtual Practitioners' Forum in July 2024 with one hundred and nine (109) practitioners attending. The forum was focused on Anti Money Laundering / Countering the Financing of Terrorism (AML/CFT) requirements affecting the accounting sector and other trends and developments in Zambia and globally.

The Board would like to commend ZICA and the profession for the continued improvement in quality of audits. This has resulted in more satisfactory outcomes recorded from the audit monitoring reviews. The Board however, noted the areas of challenge in terms of compliance with professional standards and other legal and regulatory requirements. Looking forward ZICA plans to enhance the Practice Review Framework by aligning it to the Pan African Federation of Accountants' (PAFA) Framework. Work on the audit methodology by PAFA was concluded in December 2024 with adoption taking place in early 2025. Training for Heads of Audit Quality Reviews will take place in 2025. ZICA is expected to align its methodology to the one proposed by PAFA with full adoption in 2026. The objective of PAFA is to achieve standardization, cost minimization and comparability of data across PAFA members. This methodology will enhance the quality of audit reviews and aim to add value to the practitioners. During 2024, the Institute achieved its target of carrying out

27 practice reviews. Out of the twenty-seven (27) monitoring reviews conducted, sixteen (16) were satisfactory while eleven (11) were unsatisfactory. For 2025, the Institute targets to undertake 29 practice reviews.

In a bid to enhance corporate governance, the Board issued the guidelines on serious breaches of Corporate Governance. The Board wishes to call upon the members to read these guidelines that are issued from time to time and ensure that they are the flag carriers of compliance with regulations.

Let me take this opportunity to express my sincere gratitude to the Members of my Board who have given time to serve on this Board. Their input is invaluable and expertise across various sectors of the economy has added value to the Board deliberations. As we steer into 2025, I wish to call upon you, the Board Members to remain resolute as we carry out our mandate. Secondly, let me thank Management for continually bringing the Board up to speed with developments in the profession through the reports submitted to the Board and through pronouncements.

To the Members of ZICA, I wish to thank you for your resolute stance in the year 2024 despite the challenges faced. I urge you to continue providing the necessary expertise to the people you serve in order to lift the name of the profession. It is no longer enough to identify problems, we need to provide solutions to those problems. The call on ZICA Members is not only to strive for high standards of conduct, but to ensure in so doing, members 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.

We are all reminded that our mandate among others is to serve public interest.

I, 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 receives reports of the audit monitoring reviews from the Practice Review Committee (PRC) and makes determination on the decisions by the PRC, with the decisions of the Board being final. In addition, the Board approves the results of the Competence Practice Examinations for individuals wishing to set up in public practice. The Board also receives reports on complaints from the public regarding alleged or actual professional misconduct by the Members of the Institute for noting. Further, the Board receives quarterly reports from the Taxation Committee, Public Sector and Technical Committees for necessary action.

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 2024

No.	Name	Institution	Meetings Held	Meetings Eligible to attend	Meetings Attended
1.	Mr. Nonde Sichilima Chairperson	SEC	3	3	2
2.	Ms. Natasha Zimba	PIA	3	3	3
3.	Mr. Vestus Chungu	CCPC	3	3	1
4.	Ms. Lyness Mambo	BOZ	3	3	1
5.	Ms. Nsandi Manza	AG	3	3	3
6.	Mr. Andrew Sikwanda	TEC	3	3	3
7.	Mr. Nathan Mutale	TAC	3	3	3
8.	Ms. Chisanga Musonda (Old Chair)	PSC	3	2	1
9.	Mr. Susiku Nasinda (New Chair)	PSC	3	1	0
10.	Ms. Rabecca Hichilo	PRC	3	3	0

“Through vigilant oversight and decisive action, the Standards and Regulatory Board ensures that professional standards are more than guidelines, they are the backbone of accountability.”

ACTIVITIES DURING THE YEAR

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

The following were the main deliberations of the Board:

Competence Practice Examinations

During the year under review, the Board approved the results of the Competence Practice Examinations for June 2024 and December 2024 examination diets. A total of sixteen (16) candidates attempted the June 2024 examinations out of which nine (9) were for audit and seven (7) for non-audit. While for December, a total of twenty-five (25) candidates attempted the examinations out of which sixteen (16) were for audit and nine (9) were for non-audit. The pass rate was 33% for audit and 29% for non-audit for the June 2024 exams, whereas for the December 2024 exams the pass rate was 63% for audit and 89% for non-audit for the December 2024 exams. See charts below.

Chart 1: June 2024 Audit Results

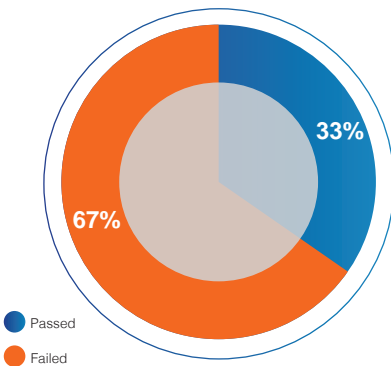


Chart 2: June 2024 Non-Audit Results

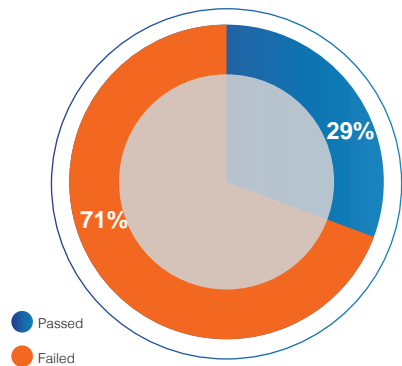


Chart 3: December 2024 Audit Results

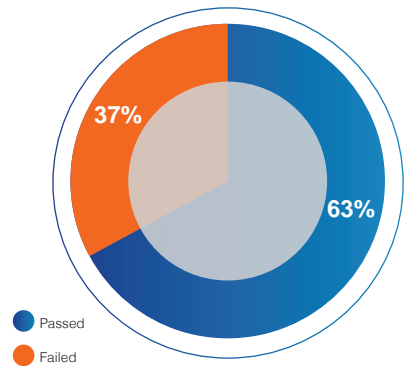
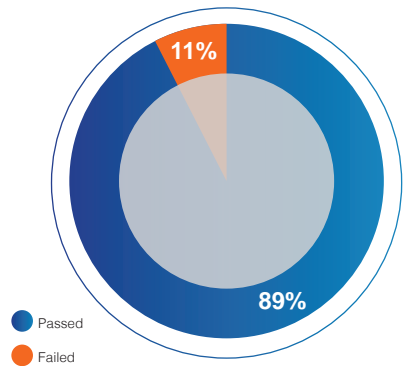


Chart 4: June 2024 Non-Audit Results



Practice Review Reports Considered During the Year

The Practice Review Department conducted twenty-seven audit monitoring reviews. The Practice Review Committee deliberated on twenty-four (24) audit monitoring reports and submitted its resolutions to the Board. The report of the Practice Review Committee regarding the twenty-four (24) audit monitoring review reports was considered by the Board. Of the twenty-four monitoring visits, two (2) were to large firms while twenty-two (22) were to Small and Medium Practitioners (SMPs).

The two (2) reviews of the large firms were both Satisfactory. The twenty- (22) SMP reviews consisted of nine (9) Unsatisfactory and thirteen (13) Satisfactory outcomes. The committee deliberated on the need for practitioners who obtain unsatisfactory outcomes to undergo a tailor-made workshop to discuss thematic issues in professional standards. The main challenge identified was lack of/or minimal understanding of the risks and what appropriate responses have been designed to address the risks. Documentation of the entire audit process was identified as another challenge for most practitioners.

Complaints from the Public

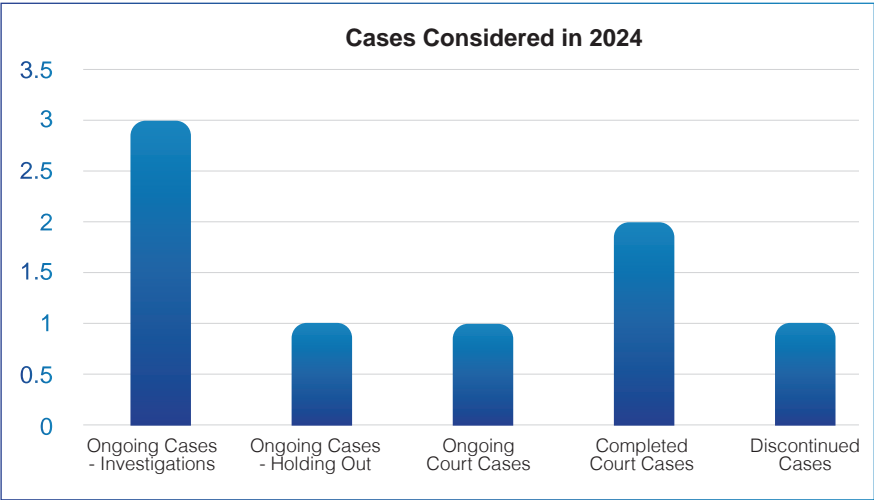
ZICA deals with complaints in respect of its Members and Students, including allegations of conduct unbefitting of professional accountants. Complaints are received from a variety of sources including dissatisfied clients, employers of Members, other practitioners, members of the public and referrals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

ZICA's responsibilities encompasses counseling, investigation, and discipline. 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 below provides a summary of the number of cases considered during the year ended December 2024. These are cases of professional misconduct, holding out and examination malpractice that the Institute seeks to prosecute.

Table 1: Number Of Cases Considered for Year 2024

Nature and Details of Cases	Number
Ongoing Cases- Investigations including professional misconduct	3
Ongoing Cases – Holding Out	1
Ongoing Court Cases	1
Completed Court Cases	2
Discontinued Cases	1
TOTAL	8



Accountants (Disciplinary) Rules (Chief Justice Rules)

The Institute submitted the Accountant's (Disciplinary) Rules (Chief Justice Rules) to the Ministry of Justice for review. The Ministry will hold a meeting with the Institute after which stakeholder consultative meetings will take place. These rules aim to establish a clear framework for regulating the professional conduct of accountants in Zambia. Their primary objectives include:

1. Enforcement of Professional Ethics;
2. Disciplinary Procedures;
3. Fair and Transparent Proceedings;
4. Accountability and Compliance; and
5. Protection of Public Interest.

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, International Standards on Quality Management 1 &2 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 audit firms;
7. One representative from small to medium audit 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. In cases where decisions require discipline of Members, such matters are referred to the Disciplinary Committee for further determination.

During the period under review, the Committee considered twenty-four (24) audit monitoring visit reports. Two (2) visits were to large firms while twenty-two (22) were to Small and Medium Practitioners.





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