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EDITORIAL

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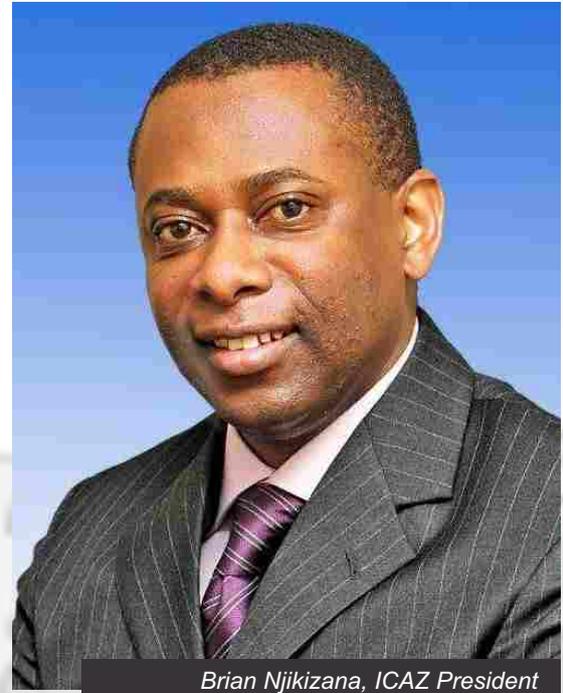
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INTERVIEW WITH THE PRESIDENT



Brian Njikizana, ICAZ President

One of the permanent challenges for professional bodies is to maintain relevance and put some input in policy change. Institute of Chartered Accountants of Zimbabwe (ICAZ) is one such body.

Sunday Mail Business Reporter Kudakwashe Mutandi (KM) engaged the outgoing president Mr Brian Njikizana (BN) to find out about the relevance of the body and reflections on his term of office. An abridged report was published in the Sunday mail dated June 24-30,2012

KM: How would you describe your term of office as ICAZ president?

BN: The term has been quite active, primarily focussed on implementation of our strategy as refreshed and updated in 2010, clearing legacy matters from prior periods to create a platform from which we can progress further with key elements of our strategic thrust. It has been a pleasure really building on the foundations laid down by previous Presidents.

KM: Mr president, briefly tell us about the role of the institute and its significance towards the national agenda?

BN: Broadly speaking, ICAZ principally aims to enhance the international standing and recognition of the qualification, Chartered Accountant (Zimbabwe), for the benefit of its members and other stakeholders and to support our members in providing quality services in the public interest. In addition, it seeks to be the pre-eminent professional body in the development and promotion of accountancy, assurance and advisory services, business and good governance practices.

“ *The members reciprocity agreements are good for our members both here and in the diaspora because they are an endorsement of our members standing internationally which is good for investments and our capital markets...* ”

It is also important to point out some facts about ICAZ to provide context. The Institute of Chartered Accountants of Zimbabwe is the largest institute of professional accountants in the country according to the register of accountants and auditors in the country, which is maintained by the Public Accountants and Auditors Board. In addition, having been established in 1918, ICAZ is also the oldest local body of professional accountants in Zimbabwe. It is one of the major accounting bodies in Africa and held in very high regard across the continent and indeed beyond.

The track record of our members continues to testify to our quality and high standards of training. ICAZ is the only full member of International Federation of Accountants (IFAC) from Zimbabwe and is also a full member of the Pan African Federation of Accountants (PAFA) which recently replaced the sub-regional accounting bodies across the continent as the main voice for the profession in Africa.

The standing of our accounting profession in the international community is very important in ensuring that we provide the confidence required by investors, government, regulators and other stakeholders

The Institute therefore plays a significant role towards nation building primarily through producing well-trained professionals, among the best in the world. The rigorous training exercise which Chartered Accountants

go through therefore make them strategically significant in the economic turnaround of the country across all sectors of our economy.

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<< Further, Chartered Accountants are at the center of controlling or understanding the finances of commercial and non-commercial undertakings across all sectors of our economy, as Accountants, Finance Managers, Finance Directors or Auditors of organizations.

Quite often our members rise further up in leadership rungs and are or become Chief Executive Officers or equivalent of organisations. Due to their skill, capacity and training our members are highly sought after and sit on the boards of various corporate and non-corporate bodies because of their ability to add value in financial matters and leadership generally.

Beyond these contributions as an Institute we also actively participate in making input into matters of national significance such as the country's fiscal budget, working with regulators such as the Securities Commission of Zimbabwe (SCZ), the Zimbabwe Stock Exchange (ZSE), the Reserve Bank of Zimbabwe (RBZ), the Insurance and Pensions Commission (IPEC) to mention some, on matters of mutual interest.

KM: You assumed office in August 2011, what were your targets and how far have you gone in achieving them. Tell us your milestones to date?

BN: When I assumed office, I highlighted areas of focus based on our strategic pillars from our refreshed 2010 -2013 strategy which was adopted by the ICAZ Council on the 26th of October 2010. I am pleased to say that we are making good headway and on the right direction to attain our goals. The President's address in the annual report will cover these in some detail but briefly I can highlight the following:

Education – our pass rates especially for the final qualifying examinations continue to be quite good and quite comparable to those of our peer institutes, principal one being the South Africa Institute of Chartered Accountants (SAICA).

We revamped our practical training programme and competencies our students in articles are required to demonstrate prior to being discharged, in line with international best practice and peer institutes around the world.

Further we have just completed a fully equipped modern library for our students at all levels of study. An official opening will be held soon although the facility is already functional and is in use;

Local influence – we continue to work directly, or indirectly through the Public Accountants and Auditors Board, in liaising with relevant regulators such as SCZ, RBZ, ZSE, IPEC and others in areas of mutual interest. In particular during this term, there has been focus on assisting regulators with updating financial reporting requirements of public interest entities to keep abreast of international best practices;

Regional and International influence – we have in the current term concluded, in principle, enhanced mutual reciprocity arrangements with SAICA and the Institute of Chartered Accountants of England and Wales (ICAEW). In respect to the arrangements with SAICA, only the actual wording of the agreements and related formalities remain to be ironed out. The arrangements with ICAEW are complete and already in force, what remains is a formal launch at a mutually convenient time.

Membership – we have looked at and are quite advanced with exploring the initiative to consider new membership categories. I am happy to say that we are at a stage where we are ready to go out to our wider membership body and engage them on this important aspect.

Organisational effectiveness – we have consolidated on the progress recorded in the previous term in this respect. We are also stepping up governance issues further across our structures, in line with best and emerging practice, starting with Council naturally.

Some of the highlights include introduction of a performance management system, carrying out surveys of both of our students and members regarding the service ICAZ renders and also a self review of our effectiveness as Council using the latest tools and methodologies.

This will be cascaded to the rest of our structures in time.

KM: One of the permanent challenges for professional bodies is to maintain its relevance. What should ICAZ do to remain pertinent to the profession and the business fraternity?

BN: I trust my comments earlier demonstrate clearly why Chartered Accountants and therefore ICAZ remain very relevant in all facets and sectors of our economy. Every endeavour needs good, reliable, professional accounting of particularly its financial affairs and undertakings.

This need is growing and in most cases becoming increasingly complex, as the economic world develops and becomes more sophisticated, so the profession will be more and not less relevant, provided we continue to be agile and adaptable.

Our strategic thrust is built around pillars identified to make us relevant, beneficial and effective to our members and other stakeholders. This helps considerably in keeping us focused on matters that enhance and indeed ensure our relevance. Our strategy is also reviewed quite rigorously and refreshed on a frequent basis.

Our affiliation to the International Federation of Accountants, PAFA and the mutual reciprocity arrangements with peer institutes around the world give us relevant international exposure and impose high minimum standards on our members.

As mentioned earlier we also revamp our training programmes for Chartered Accountants from time to time in line with relevant economic, financial and similar developments.

“Our commitment to the education system and in particular tertiary institutions, which provide the majority of our students, remains very much in place.”

KM: ICAZ has got some reciprocal arrangements with other Countries such as South Africa, Canada and England and Wales. Tell us more about this, how does it add value to your members as well as to the institute?

BN: I am delighted, as mentioned earlier, to report that we have successfully concluded, during this term, the renewal of enhanced reciprocity arrangements with the Institutes of Chartered Accountants in South Africa (SAICA) and England and Wales (ICAEW) in addition to the ones renewed in the previous periods, namely, Canada (CICA) and the Hong Kong Institute of Certified Public Accountants.

The process is increasingly rigorous and the successful conclusion of these agreements is great testimony to the quality, grounding and resilience of the Zimbabwean Chartered Accountancy profession and institutional strength of ICAZ.

The members reciprocity agreements are good for our members both here and in the diaspora because they are an endorsement of our members standing internationally which is good for investments and our capital markets. It allows, for instance, those members in the diaspora to be recognised along equivalent foremost accounting professionals in the countries mentioned earlier.

The arrangements also afford them access to benefits and services from these accountancy institutes in these countries thus widening our reach as ICAZ for the benefit of our members and other stakeholders. Our members therefore are enabled to perform comparably with the premier accountants in the jurisdictions where they are working.

The enhanced arrangements we have concluded largely do away with the need for conversion examinations except for those seeking to go into public practise, a concept I will discuss later in this interview.

In this latter case conversion examinations in local law and taxation will be the principal requirements. The arrangements also generally allow for reciprocal recognition of our full members provided they are in good standing with ICAZ and up to date with requirements for continuous professional development.

KM: Is there a mechanism to ensure that they are no other individuals who are masquerading as Chartered Accountants?

BN: Yes indeed these are ongoing. For instance We require those of our members in public practice (offering auditing and or accounting services to the public) to be licensed by ICAZ and issued with practising certificates annually.

Our register of members is lodged and updated regularly with the

oversight body for accountants and auditors in the country, the Public Accountants and Auditors Board, clearly distinguishing between practising and non-practising members.

More recently the PAAB has been publishing in the press, at least on an annual basis, a list of registered practising firms of accountants allowed to offer auditing and accounting services to the public.

They also share these lists with relevant stakeholders like the Zimbabwe Stock Exchange, Office of the Comptroller and Auditor General, the State Procurement Board, the Zimbabwe Revenue Authority, the Reserve Bank of Zimbabwe, Bankers Association of Zimbabwe, to name some.

It is therefore very important that those procuring the services of accountants and auditors look out for current practising certificates, consult the lists referred to on a regular basis or ICAZ and or PAAB.

We have taken this approach and applied the measures I mentioned above because the public are more likely to come across and become aware of illegitimate accounting professional than both ICAZ and PAAB. The measures are designed to protect the public and empower them to identify illegitimate accounting professionals and therefore both avoid and report them accordingly.

KM: We understand ICAZ is working on a programme to explore the introduction of new membership categories in line with international practice by peer institutions. Can you give us details what the programme entails?

BN: That is quite correct we are exploring and researching into this matter in line with the developments you have mentioned and in order to cater for the needs of those only partly qualified. This is also so we can assist and continue to encourage them to become full members.

This consideration is also important because, among other things, in many cases the partly qualifieds work with our members and thus have an impact on the quality of our members work or are somehow associated with ICAZ having gone through and satisfied some, but not all, our requirements for membership as Chartered Accountants.

Specifically, there are for instance, some partly qualifieds in that they have completed and discharged their articles of training in terms requirements of practical exposure but have not satisfied the examination requirements.

Since these partly qualifieds are not members they generally cannot access the relevant support, other services and benefits provided to members by ICAZ.

The initiative therefore seeks to explore ways of bringing the partly qualifieds into the broader fold to achieve the objectives I mentioned earlier. They will NOT be accorded with a CA (Z) designation.

KM: In October 2009 ICAZ signed a Memorandum of Understanding with University of Zimbabwe for a partnership in offering a Certificate in Theoretical Accounting. To date, the fulfillment of this MoU remains a pipeline dream. Can you comment?

BN: This is something we continue to be engaged on and is work in progress. The objectives remain but implementation is obviously a process and relevant procedures have to be observed and considered appropriately.

Our commitment to the education system and in particular tertiary institutions, which provide the majority of our students, remains very much in place.

KM: Proverbially they say two heads are better than one: We have never headed a joint initiative between ICAZ and other bodies such as CZI, ZNCC and IOD to mention a few especially when hosting seminars. Is it true that these seminars are largely becoming a moneymaking game hence the going it alone mentality?

BN: That is not quite correct we do and have held several joint seminars with various other bodies, either directly or indirectly through PAAB, especially the ones I mentioned under local

influence earlier. Recently, for instance, we held a successful seminar in collaboration with IPEC. A number are also planned with other stakeholders, either directly or through PAAB.

In addition Chartered Accountants are encouraged to and indeed are also directly involved with these organisations as members in their personal capacity or under corporate membership schemes as appropriate.

KM: Does ICAZ influence towards the amendment of the outdated Companies Act, if so, how is it involved?

BN: Yes our Tax and Other Legislation Committee is actively involved towards that process and the main focus is identifying areas which are outdated and require improvement to make them both current and relevant.

KM : Additional comments

BN: The Presidium, Council, various Committees in place and the ICAZ secretariat work quite hard and I would like to take this opportunity to pay tribute to their efforts and commitment to both ICAZ and the profession at large.

AICO Boss to set the Winter School tone

AICO Group Chief Executive Patrick Devenish will set this year's Winter School's tone when he presents on the Theme: Global Solution in a Global World.



Patrick Devenish, AICO Group CEO

Pat has spent his working life in agriculture. Starting out as an auctioneer at Tobacco Sales Floor in 1978 he then spent three years working for Auction Holdings in Malawi from 1983 to 1985 and rejoined Tobacco Sales Floor in 1986 becoming Managing Director in 1996. He was there until he joined Seed Co as Group Chief Executive in 2002.

In January 2009 he joined Aico Africa Limited, a holding company which owns Cottco (100%) a cotton ginning company, Seed Co (51%) a vertically integrated crop seed company, and Olivine Industries (49%) a FMCG company focused on cooking oils, margarines, bakers fats and canned foods.

Pat sits on the board of Zimplow Limited and is a Trustee of Blackfordby College of Agriculture. He holds an MBA from the UCT Graduate School of Business.

This year's winter school will be held from July 19-22 at Elephant Hills in Victoria Falls. An impressive line up of speakers with wide ranging experience is set to make the event a memorable one.



ICAEW / ICAZ RECIPROCAL MEMBERSHIP AGREEMENT

The Institute of Chartered Accountants in England and Wales (hereinafter referred to as ICAEW) and the Institute of Chartered Accountants of Zimbabwe (hereinafter referred to as ICAZ), as parties to this agreement, have agreed the principles for reciprocity that will apply to Chartered Accountant members of the two bodies.

The objective of this agreement is to enter into an arrangement entitled "Reciprocal Membership Agreement (RMA)" for the purpose of determining the basis upon which recognition for membership of appropriately qualified members of the other body may occur.

1.0 General Conditions

Co-operation:

1.1 The parties agree to work constructively and cooperatively during the term of this agreement.

Membership criteria and process:

1.2 This agreement applies to members who have gained membership by completing the education and practical experience programme of either party. It also covers those who have gained membership under approved exemption arrangements in the qualifying/admission programme. This agreement does not automatically apply to individuals who have gained membership of either body through another reciprocal membership agreement with a third party.

1.3 Each party recognises the continuing professional development (CPD) requirements of the other party.

1.4 Each party will assess individual applications for membership from members of the other body. In assessing such applications, each party will seek verification from the qualifying body that the applicant is a member of the other body and how Chartered Accountant membership was gained. The assessment will also seek to establish whether the applicant is a member in good standing. In order to establish good standing, each party agrees to disclose details of any disciplinary findings, any complaints currently under investigation and any ethical or other matter which might render the member unfit for reciprocal membership. Each party agrees to provide such verification on a timely basis when requested. Where the required verification has been received, each party will then grant reciprocal membership to those individuals applying.

Local Company Law and Tax

1.5 An ICAZ member who is a reciprocal member of ICAEW will be eligible to apply for an ICAEW Practising Certificate (PC) provided they have two or more years' membership of ICAZ, CPD compliance and successfully passed ICAEW's aptitude test in tax and law. UK audit rights are controlled by the UK Financial Reporting Council and not ICAEW, and are therefore not included in this agreement.

1.6 An ICAEW member who is a reciprocal member of ICAZ will be eligible to apply to the Public Accountants and Auditors Board (PAAB) for a PC (which includes audit rights) provided they are CPD compliant and successfully complete ICAZ's conversion exams in taxation and commercial law.

Dual membership:

1.7 The granting and maintenance of reciprocal membership will be dependent upon the individual continuing their home body membership. A failure to maintain home body membership will result in the automatic termination of the individual's reciprocal membership.

1.8 For the purposes of monitoring general CPD compliance, where an individual holds dual ICAEW and ICAZ membership, and satisfies the CPD requirements and obligations of one party, the other party will recognise this as equivalent to meeting its own CPD requirements.

Discipline:

1.9 In the event of a reciprocal member of either party being the subject of a complaint, the home body will investigate and, if appropriate, sanction the individual through a disciplinary finding. If the home body imposes a disciplinary finding, then the other party can investigate and, if appropriate, sanction. If the home body chooses not to investigate a matter about which the other party remains concerned, or investigates in a manner that the other party deems insufficient, the other party has the power to investigate the matter and take disciplinary action if appropriate.

2.0 Reporting

2.1 The parties to this agreement agree to promptly provide each other with information on material changes to their qualifying/admission programme, CPD policy and other relevant matters. This may, depending on the nature of the changes, result in a review of the agreement.

3.0 Term of Agreement

3.1 This agreement will be reviewed after a period of five years from the date of signature, and maybe renewed or extended for an additional period of five years or less by mutual agreement of the parties.

3.2 Either party may, with a sixty-day notice period, terminate this agreement. In giving such notice, the party shall provide a written explanation of the reasons. This document is not intended to create a legal relationship. Detailed arrangements and financial responsibilities will be the subject of a separate agreement between the Parties where necessary.

Brian Njikizana President
The Institute of Chartered Accountants of Zimbabwe
Date: 27 April 2012

Mark Protherough
Executive Director, Learning and Professional Development
The Institute of Chartered Accountants in England and Wales
Date: 27 April 2012



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We would love to hear your feedback and comments regarding this and other publications by ICAZ. Please feel free to email your opinions to dillonk@icaz.org.zw

