OAG Newsletter

Republic of Zambia

An Official Publication of the Auditor General's Office

July - September 2017

OAG still relevant in safeguarding public resources – PAC

Inside This Issue

- Report of the Auditor General on the Accounts of the Republic for 2016 submitted to the President and Speaker
- President Edgar Lungu visits OAG Stand
- Revisit FIPA, advises PAC

CONTENTS

Report of the Auditor General on The Accounts of the Republic for 2016 Submitted to the President and Speaker 3

President Edgar Lungu Visits OAG Stand 3

Zambia can learn from Canada-PAC 4

PAC says OAG still relevant in safeguarding resource 4

Zambia was on the right path to attaining the much needed development 5

Revisit FIPA, advises PAC 5

Increased collaboration between internal auditors and AG's office vital 6

Workshop on Extractive Industries (EI) held in Kampala 7

Audit of Government Receipts Training held in India 8

From Registry Clerk to Lawyer 10

Auditor attains full ACCA qualification 11

Practical Leadership At Workplace 12

Governance, Risk And Control Conference Held 14

Supreme Audit Institution Leadership and Stakeholder Meeting held in New York 16

Stakeholder Strategy Development Workshop Held in Kigali, Rwanda 17

Photo Focus 18

EDITORIAL TEAM

Ms Ellen M. Chikale
Editor-In-Chief

Ms **Mwila Munkanta**
Editor

Mr. Chilekwa Monje
Editor

CONTRIBUTORS
William Bwalya
Arthur Siwila
Kasomo Chaila
Chilombo Biemba-Chirwa
Gabriel Mashau
Marvin Banda
Chuma Chuma
Lubinda Sinyani

Foreword

I welcome you all to the July to September 2017 edition of the OAG News publication and wish to invite you our cherished readership to take time to read this publication.

In this edition we have a number of interesting articles ranging from hard news to soft news such as our exhibition at the 91st Zambia Agricultural and Commercial Show, interactions from the benchmarking tour of the Public Accounts Committee to Canada, the 2016 Report of the Auditor General and reflections of an auditor on the Audit of government receipts.

We have also shared with you some motivational articles as they relate to our officers completing their studies in ACCA and Law Degree as well as our participation in the regional and international supreme audit institution groupings.

It is my hope that this publication will keep you abreast with our work both locally and abroad.

Ron M. Mwambwa (Mr.)
AUDITOR GENERAL

Message from the DAG-CSD

The Corporate Services Division takes this opportunity to interact with you all our distinguished readers of this publication.

A special welcome to those reading this publication for the first time. Ours is to ensure that we continue to serve you better.

In this regard, we give you yet another opportunity to write to us so that together we can safeguard the scarce public resources in the republic.

For any suggestions or clarifications on our, you can email auditorg@ago.gov.zm or visit our offices in Long acres, Lusaka or indeed any of our provincial centres for your comments.

Pleasant reading to you all!

Davison K. Mendamenda
DEPUTY AUDITOR GENERAL - CSD

DISCLAIMER
The views expressed in this publication are those of individual authors and do not necessarily reflect the position of the Office of the Auditor General or indeed that of the Editor-in-Chief.

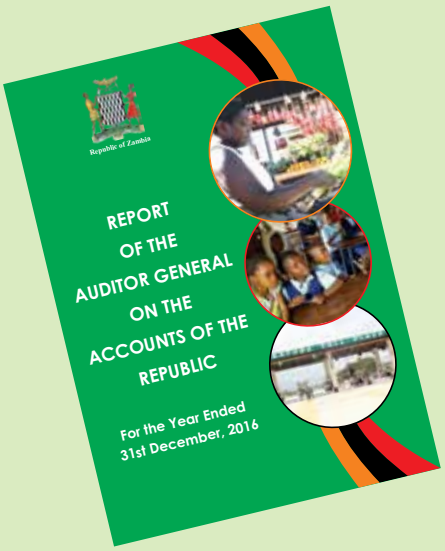
REPORT OF THE AUDITOR GENERAL ON THE ACCOUNTS OF THE REPUBLIC FOR 2016 SUBMITTED TO THE PRESIDENT AND SPEAKER

By OAG News Writer

The Report of the Auditor General on the accounts of the Republic for the financial year ended 31st December 2016 has been submitted to the President in line with the Republican Constitution.

This is the second time the Office has been able to comply with this provision following the amendment to the Constitution in January 2016.

The Constitution provides that the Auditor General shall submit a report on the accounts of the Republic nine (9) months after the end of each financial year.



In the old Constitution, the Auditor General was required to submit a report on the accounts of the Republic 12 months after the end of each financial year.

However, due to public concerns and submissions to the constitution review process the provision was amended to bring the reporting date forward from 12 months to 9 months after the end of each financial year.

PRESIDENT EDGAR LUNGU VISITS OAG STAND

By OAG News Writer

President Edgar Lungu visited the Office of the Auditor General (OAG) stand to support the office in its discharge of work.

The Office stand which was not among the stands to be toured by the President, received a rare honour when the President took by surprise his entourage into visiting the OAG stand.

The President was received by Acting Assistant Director Planning Mr. Bornwell Mpofu and other exhibitors who graciously explained how the Office fitted into the theme of "Promoting Green Economy" through the various performance audits it carries out.

President Edgar Chagwa Lungu appreciated the various audit work the office was carrying out and encouraged them to do more.

The 91st Zambia Agricultural and Commercial Show in Lusaka afforded the office an opportunity to interact with the general public on its operations and relevance in the whole accountability process of the country.

Acting Assistant Director Planning Mr. Bornwell Mpofu explaining to the President and his delegation about the role of the Office when they visited the OAG stand

The show was held in Lusaka's Show grounds from Wednesday August 2 to Monday August 7, 2017.

The Office interpreted the theme as Promoting Green Economy through performance and environmental auditing which incorporates value for money audits and less use of paper by using ecofriendly means in the work processes.

Several showgoers passed through the stand and expressed satisfaction with the work of the Office in as far as the accountability and management of public resources was concerned. The showgoers also expressed the need to give the Office prosecuting powers so that the good work it was doing could be complemented by action on the erring officers cited in the reports over the years.

Zambia can learn from Canada-PAC

PAC members pose for a photo with Clerk of the House of Commons of Canada Mr. Charles Robert

By OAG News Writer

The Public Accounts Committee (PAC) says it has a lot to learn from Canada on the improved systems that have been put in place in their public service over the years.

PAC Chairperson Howard Kunda who is also Muchinga Member of Parliament said Canada was a shining example of how improved systems can bring dividends to a country.

Mr. Kunda was speaking after visiting the Parliament of Canada.

He noted that because of the working systems in the public service of Canada, the work of the Public Accounts Committee had been made easy as the resources are accounted for and put to good use.

Meanwhile Mr. Kunda said it was gratifying to see how the Canadians had blended Christianity into their day to day public affairs.

And Mr. Kunda said the committee was going to engage the Minister of Religious Affairs on how best the nation could adopt the Canadian Christian principles in public affairs of the country.

And Clerk of the House of Commons of Canada Charles Robert said the public accounts committee holds government to account for effective public administration and due regard for public funds owing from reports of the Auditor General.

PAC says OAG still relevant in safeguarding resource

By OAG News Writer

THE Public Accounts Committee (PAC) says the Office of the Auditor General remains an important institution in the safeguarding of public resources in the nation.

And the Public Accounts Committee has also declared that the independence of the Auditor General's Office must be looked into as a matter of urgency.

Speaking after visiting the Office of the Auditor General in Canada, Committee Chairperson Mr Howard Kunda said whereas it was good that the independence of the Office was provided for in the constitution it was unfortunate that it had not been operationalised.

Mr Kunda said the current situation where the Auditor General depends on the Executive for funding and recruitment was against the tenets of good corporate governance as well as the Mexico Declaration on SAI independence.

The Mexico Declaration provides for both financial and administrative independence as well as security of tenure and independence of Heads of Supreme Audit Institutions (SAIs).

The PAC chairperson noted that the Auditor General must not be hindered by the budget funding or the timing of its releases.

Zambia was on the right path to attaining the much needed development

By OAG News Writer

The Public Accounts Committee (PAC) says Zambia is on the right path to attaining the much needed development.

And the Public Accounts Committee says for Zambia to complement this, Zambians need to be a little more patriotic in their discharge of duties.

Speaking in an interview to wind up the Committee's benchmarking tour to Canada, PAC Chairperson Howard Kunda said zambia had almost similar systems in place like that of Canada, which if let to operate normally, a lot would be achieved.

Mr. Kunda who is also Muchinga Member of Parliament said the current problem was that the systems which were in place were somewhat being circumvented by unpatriotic Zambians thereby causing the nation to lose huge public resources.

He pointed out that the take away lesson from Canada was the seriousness Canadians attach to their work.

He said all institutions that PAC visited took their work seriously and the systems which were put in place were operating effectively.

PAC members pose for a group photo after a meeting with McCay Duff LLP, a private accounting firm in Canada

The Chairperson noted that the benchmarking tour was very insightful and fruitful in that the Committee was going back home with immense practical lessons learnt which they will put to good use to enhance performance and accountability of public resources in the nation.

Meanwhile, the PAC chairperson has called on the Zambian High Commission to Canada to ensure that they are not cited in the Auditor General's report.

Mr. Kunda said PAC would not take it kindly if the High commission was cited in the report of the Auditor General because institutions must aim for zero audit queries.

He stated that the mission must take audit queries seriously, so that they could avoid being cited by the Auditor General.

He explained that for institutions to have clean audits they need to always do the right thing and respond to audit queries on time.

Revisit FIPA, advises PAC

By OAG News Writer

THE Public Accounts Committee has called on Government to seriously look at the Foreign and Investment Promotion Agreement (FIPA) and conclude negotiations on the matter.

Speaking in an interview after paying a courtesy call on the Zambian High Commission in Canada, PAC chairperson Howard Kunda said a decision has to be made regarding the stalled agreement. Mr Kunda, who is Muchinga Member of Parliament, said agreements such as FIPA are quite important as they aim at protecting and promoting Zambian and Canadian investments through legally binding provisions and obligations.

PAC chairperson Hon Howard Kunda with Zambian Deputy High Commissioner to Canada Evaristo Kasunga

He said it was for this reason that concerns raised by the Attorney General are quickly attended to so that Zambia can begin to reap benefits from the warm bilateral relations it enjoys with Canada.

Mr Kunda said there was need to address problematic clauses in the agreement so that a win-win situation is arrived at for the benefit of both countries.

According to Charge D'Affaires at the Zambian mission in Canada, Evaristo Kasunga, Zambia and Canada signed a declaration of intent on the conclusion of negotiations of FIPA on March 4, 2013 in Toronto, Canada.

Mr Kasunga said some differences, however, arose later following proposed amendments recommended by the Attorney General relating to taxation.

Currently, Canada has a huge investment of more than US$6 billion in Zambia through Canadian mining companies such as Lumwana Mine, which is owned by Barrick Golden Corporation of Canada, and Kansanshi Mine, owned by First Quantum Minerals Limited.

Increased collaboration between internal auditors and AG's office vital

Comptroller General of Canada Mr. Bill Matthews addressing the Zambia PAC delegation (not in picture) when they called on him at the Treasury Board offices

By OAG News Writer

The Public Accounts Committee heard that there is increased collaboration between the Internal Audit Office and the Office of the Auditor General.

And PAC also heard that the Internal Audit Reports of Canada are public documents and can be accessed from the website.

Comptroller General of Canada Mr. Bill Matthews said this when the Public Accounts Committee called on him at his Office.

Mr. Matthews observed that as a result of this collaboration between the two offices there was timely sharing of information for decision making.

He added that the degree of collaboration had improved to the extent that his Internal Audit shares its work plans, working papers and reports with the Office of the Auditor General.

Meanwhile, the Committee was told that when heads of institutions or controlling officers begin to take keen interest in the work of Internal Audit their profile would be raised.

Mr. Matthews said his Internal Audit office had earned the respect for their work because heads of institutions were keenly participating in the work of internal audits and its outcomes.

He said in the past years their work was not respected and their reports not taken seriously.

He was responding to a question by Kasempa Member of Parliament Ms. Brenda Tambatamba who wanted to know how their Internal Audit had overcome the aspect of their work not being taken seriously.

The Zambian PAC delegation and embassy officials following proceedings at the Treasury Board in Canada

Workshop on Extractive Industries (EI) held in Kampala

Left to Right: Director Revenue Mr. John Mafuta, Assistant Director Mrs. Grace Chanda and Senior Auditor Mr. William Bwalya during the Extractive Industries workshop

By William Bwalya

The workshop on Extractive Industries (EI) was held in Kampala – Uganda from 11th to 15th September 2017 at Imperial Royale.

The Workshop was organized by SAI Uganda in collaboration with INTOSAI (WGEI) Community of practice and AFROSAI-E.

It was officially opened by the Auditor General of SAI Uganda and Chair of INTOSAI Working Group in Extractive Industries (WGEI) Mr. John F.S Muwanga.

The workshop was attended by 30 participants from 11 countries. The Office of Auditor General was represented by revenue officers Mr. John Mafuta – Director, Ms. Grace Chanda – Assistant Director and Mr. William C. Bwalya – Senior Auditor

The theme of the workshop was "Enhancing the audit of Extractive Industries: Risks and Mitigation." The main objective of this workshop was to build capacity and deliver valuable tools to help SAIs effectively audit Extractive Industries (EI). The workshop provided an insight for SAIs to undertake strategic planning for the EI sector audits, identify risks in the value chain and how to respond to those risks, analyze and benchmark different Fiscal regimes.

Other notable topics included the Petroleum and Mineral Value Chain, EI Regulatory Framework, audit challenges and EI's attainment of SDGs; SAIs Role and Strategic planning for EI Sector audits among others.

AUDIT OF GOVERNMENT RECEIPTS TRAINING HELD IN INDIA

By Arthur Siwila – Senior Auditor – Revenue Audits Directorate

In June 2017, I was nommited by the Office to apply for the Indian Technical and Economic Cooperation (ITEC) Schoolarship to undertake a short course on the Audit of Government receipts which was held at the International Centre for Information Systems and Audits (Icisa) Noida, India from 7th August 2017 to 1st September 2017.

My application was approved on the 27th July 2017 by ITEC thereby affording me a rare privilege to participate in this very important skills and career enhancing International Training Programme.

The Course is one of the international training programmes offered by ICISA, a training institution which was set up in 2002 by the Comptroller and Auditor General (CAG) of India. The Institution offers International training programmes such as Auditing in the IT Environment, Perfomamce Audits, Audit of State Owned Enterprises, Environmental Audits, Audit of e-Governance projects, Financial and Compliance Audit etc.

The training programme included study tours and visits to the Central Board of Direct Tax Centralized Processing Cell (Centre) in Delhi, Customs and Excise Dry Port in Ahmedabad and the International Centre for Environmental Audits and Sustainable Development in Jaipur.

The course was structured both from the Tax/Non Tax Administration and Tax/Non tax audit point of view. The course involved lectures, interactive sessions, information and work experience sharing amongst participants, and case studies based on the Comptoller and Auditor General of India's audit experiences and findings.

In her opening remarks at the inaugural ceremony for the participants of the 136th International Training Programme, the Deputy Comptroller and Auditor General Ms. Rita Mitra stated that the global evolution of revenue audit began with the INTOSAI declaration at Brazil in May 1959.

In this declaration, it was resolved that SAIs ought to exercise broadest possible supervision of government revenue, subsequently INTOSAI brought out guidelines on auditing receipts during the LIMA declaration in the year 1977. The guidelines emphasised that tax audit should not only restrict to testing legality and regularity of transactions but should also examine the organisation deficiency of tax collections. Similarly, the Paris seminar of ASOSAI in 1958 recognised the social economic implications of taxation, it recommended that tax audit should include a review of the system used in government for monitoring and evaluating the effectiveness of the tax measures.

She noted that tax receipts constitute the major source of income for any government and for most developing countries tax revenue ranges between 10 – 15% of GDP which is lower of Organisation for Economic Cooperation and Development (OECD) countries 34% average.

She said that lower tax regime essentially implies that governments are able to only fund the most basic citizen services. She said that public spending on social sector like health, education, rural employment, housing require high tax revenues thus it becomes imperative for developing economies to have efficient tax administration. She further said that SAIs had an important role to play in this aspect of the economy adding that non tax revenue also forms a significant portion of government revenue of which she mentioned the need for accountability and transparency in relation to transactions that involve natural resources.

She also told the 136th ITP participants that SAI india had been conducting both compliance and perfomance audits in various areas of receipts audit.

The course content included the following:

Tax Administration - constitutional, legislative and institutional framework

Tax administration functions includes the identification of tax payers, Collection of taxes, Scrutiny of assessments, Accounting of taxes and Financial reporting. The constitutional, legislative and institutional framework included the Judiciary, the Government, the Parliament/ Legislature, the Department which implements the law, rules and clarifications, the Assesse that is the Tax payer and the oversight Agency such as the Supreme Audit Institution, Anti-Corruption Commission, NGOs etc.

Audit of Direct and Indirect taxes – Risk based audit planning, evaluation of internal control, audit of tax refunds and appeals

Revenue audit is mainly looking for deviations from a given law or a rule and challenging a rule or a procedure if it was inconsistent with legislative intentions. (International Seminar on Revenue Audit, 2011). Tax revenue means all receipts that government earns and Government reciept is whatever the government receives from all sources. Tax revenue is the root of administration.

What is Involved in an audit of Government Receipts?

Audit of receipts includes an examination of the systems and procedures and their efficacy in respect of identification of potential tax assessees, ensuring compliance with laws as well as detection and prevention of tax evasion;

Pursuit of claims with due diligence and that these are not abandoned or reduced except with adequate justification and proper authority;

Prompt investigation of losses of revenue through fraud, default or mistake including, if required, through the review of other similar cases;

Exercise of discretionary powers in an appropriate manner including levy of penalties and initiation of prosecution;

Appropriate action to safeguard the interests of the Government on the orders passed by departmental appellate authorities.

Scope of audit of receipts

Includes any scheme as may be introduced by the Government from time to time, any measures introduced to strengthen or improve revenue administration, amounts that may have fallen into arrears,

Cont'd to page 9

Deputy Comptroller and Auditor General, SAI India Senior Management Officers and ICISA Director General with 38 participants drawn from 32 countries pose for a photo

maintenance of records of arrears and action taken for the recovery of the amounts in arrears, other ancillary and non-assessment functions including expenditure incurred by the departments, achievement of targets, accounting and reporting of receipts and their cross verification and reconciliation with the accounts records, examination of integrity of data, information and documents which form the basis of a policy, access to assessment files and records and computerised database.

Audit scope/ Objectives

All tax and non tax receipts of the Central and the State Governments, no substitute for revenue authorities, no review of judicial decision. It also requires Comptroller and Auditor General to satisfy himself that the rules & procedures in that behalf are designed to secure an effective check on the assessment,Collection & proper allocation of revenues and are being duly observed and to make, for this purpose, such examination of the accounts as he thinks fit and report thereon.

Senior Auditor Revenue Audits Directorate Mr. Arthur Siwila receiving his certificate

Audit Approach

Audit of tax receipts, in most cases, taken up separately, other departmental receipts are generally audited along with the audit of expenditure of the dept/scheme concerned

Audit of tax refunds and appeals

Tax administration need to put in place effective dispute resolution mechanism and that refunds should be administered effectively and efficiently in that geniune tax payers' refunds should be settled promptly to encourage compliance and avoid accumulation of interest as the Government of India pays interest to tax payers owed by the Tax Authorities.

Tax planning, Tax Management and Tax Evasion

Tax planning is absolutely legal and enables a tax payer to take full advantage of all the exemptions, subsidies, incentives and concessions available as per law and avoids or keeps his tax liability minimal.

However, there is a global concern that companies more especially multinationals are not paying right amount of tax through the use of sophiscated tax planning strategies resulting in tax evasion and tax avoidance schemes. Companies do evade or avoid tax through Transfer Pricing, Double Taxation and Avoidance Agreements (DTAA) and unethical tax planning strategies such as accelarated depreciation/ armotisation tax deductable claims.

Audit of non-tax receipts – mining, forest, water, minerals

Non tax receipts mainly comprises of fees, charges, fines, royalties, pernalties, interest, rent, lease among others. The audit of non tax receipts in mining, forest, water, minerals starts with identification of the audit criteria normally Acts, rules and regulations. Issues to consider include permit quantity verification, outstanding amounts, time to pay agreements, valuation of quantity, physical verification for water usages, cross verifications of returns submitted to other authorities, environment impact assessments, interest of the community, portion of revenue to community etc.

Mr. Siwila with a colleague in India

FROM REGISTRY CLERK TO **LAWYER**

SENIOR AUDITOR KASOMO CHAILA recounts his academic journey

16 years ago, I joined the Office of the Auditor General where I started my career as a Registry Clerk in the Registry department where I worked for two (2) years before I was reassigned to work in the Accounts departments as Accounts Clerk. It was at this point the office partly sponsored me to pursue a Diploma Course in Accounts

In my career journey, I worked under several supervisors in the Accounts department one of them being Mrs. Phales C Phiri (the Acting Deputy Auditor General) who was the Chief Accountant then. The dedication and passion for work exhibited by Mrs. Phiri inspired and motivated me to work hard and aspire for more.

After three (3) years in the accounts department I was promoted to Assistant Auditor and transferred to Ministerial Appropriation Audit Directorate (MAAD). Six (6) years later I was promoted to the position of Auditor within the same Directorate. Realizing the importance of education, I enrolled and graduated from the University of Zambia main Campus with a Degree in Bachelor of Education in History.

After working for eight (8) years under the Ministerial Directorate I was promoted to Senior Auditor and transferred to Provincial Appropriations Audit Directorate (PAAD). The news of being moved from Lusaka to Chinsali district in Muchinga Province was not good news to my ears. At this point I felt like tendering in my resignation from the office as I considered this to be constructive dismissal. It was at this moment that Mr. Ron Mwambwa (then Director MAAD) but now Acting Auditor General summoned me to his office. Mr. Mwambwa who also had worked in the Provinces shared his personal experience of working in the Provinces and encouraged me to soldier on and that it was not the end of life. The words of Mr. Mwambwa made me see that Zambia was not just Lusaka but that there were other opportunities and benefits of working from the province.

In Muchinga Province I worked under Mr. Obed J Mwale who was the Assistant Director for Muchinga at the time (Now Assistant Director PAAD, HQ). I am proud to have worked in Muchinga Province because it will go down in the History of the Office as being among the first Senior Auditors to have opened and worked in that Province. In short, I am one of the founding Members of the Muchinga Office, if there is anything like that!"

Mr. Kasomo Chaila

While working in Muchinga Province my appetite for knowledge grew and I went ahead to enroll for another Degree, the Bachelors of Law with Zambian Open University. This September I graduated with a Degree in Bachelors of Law.

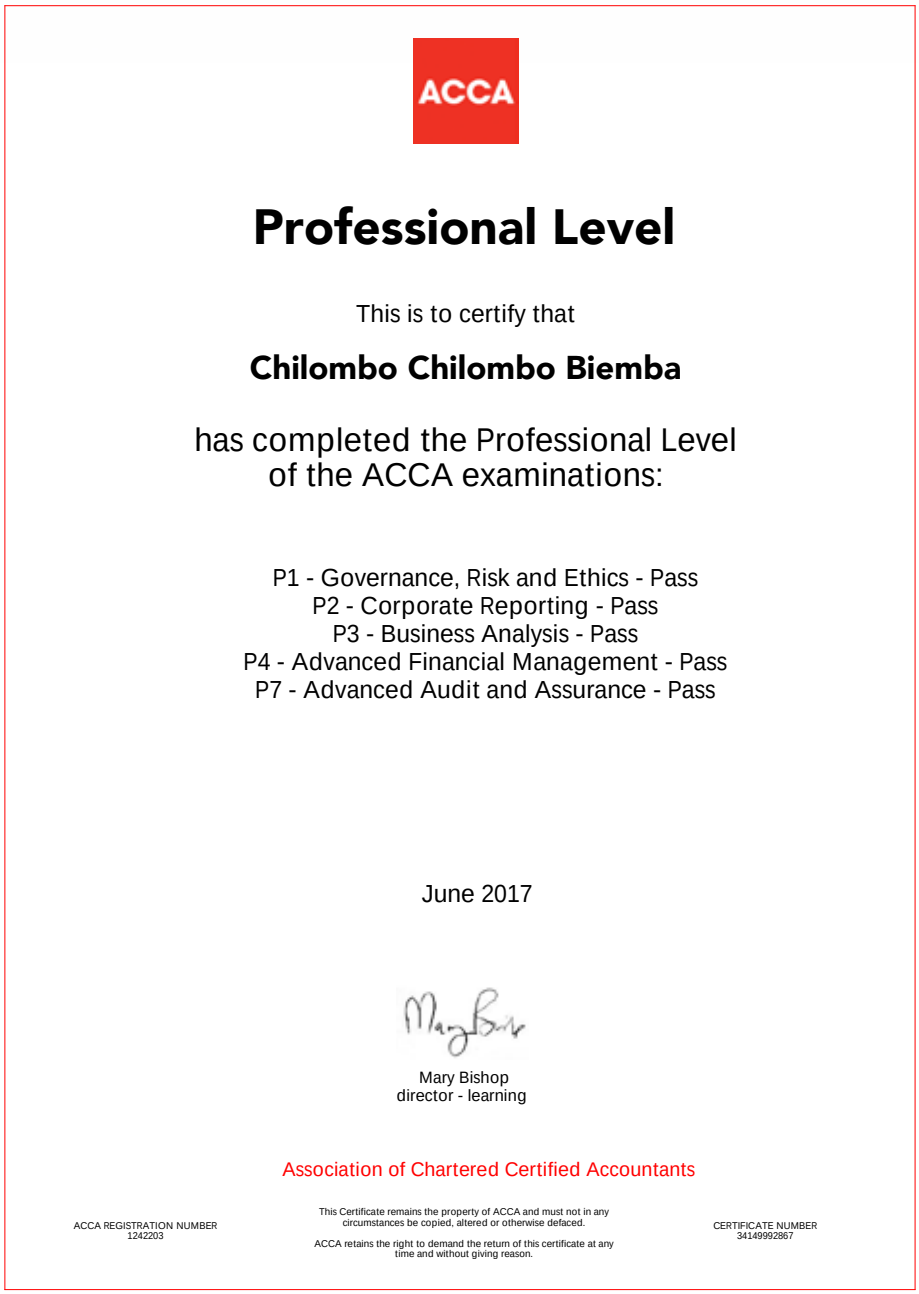
Currently, I have been transferred to Northern Province where I am working under Mr. Moses Mtonga the Assistant Director-Northern Province.

I drop my Pen here for the next article.

Auditor attains full ACCA qualification

By Chilombo Biemba Chirwa - Auditor

Mrs. Chilombo Biemba-Chirwa



ACCA

Professional Level

This is to certify that

Chilombo Chilombo Biemba

has completed the Professional Level
of the ACCA examinations:

P1 - Governance, Risk and Ethics - Pass
P2 - Corporate Reporting - Pass
P3 - Business Analysis - Pass
P4 - Advanced Financial Management - Pass
P7 - Advanced Audit and Assurance - Pass

June 2017

Mary Bishop
director - learning

Association of Chartered Certified Accountants

ACCA REGISTRATION NUMBER
1242203

This Certificate remains the property of ACCA and must not in any circumstances be copied, altered or otherwise defaced.

ACCA retains the right to demand the return of this certificate at any time and without giving reason.

CERTIFICATE NUMBER
34149992867

I joined the Office on 8th December 2004 as Assistant Auditor with a National Accounting Technician qualification (NATECH).

I served under Revenue Audits Directorate from December 2004 to May 2008 where I engaged in the audit of both Tax and Non-Tax revenue.

I was later promoted to the position of Auditor in December 2007.

In June 2008, I was transferred to Ministerial Appropriation Audits Directorate under Line Ministries Section.

Still in the same position of Auditor, I was later moved to Defence and Security Section from January 2013, a position I hold to date.

In June 2017, I attained full ACCA qualification and I wish to thank God for enabling me to acquire this qualification.

I wish to dedicate my qualification to my family and the Office for their support and I pledge to contribute to the profession and the Office at large in whatever way possible.

I encourage those who are still studying to soldier on as it is possible to succeed with determination and hard work.

PRACTICAL LEADERSHIP AT WORKPLACE

Mr. Gabriel Mashau

By Gabriel Mashau - Principal Auditor, Mansa Audit Office

The issue of leadership has been emphasized to be at the Centre stage of development. It's a word that means differently to various fields such as religion, politics, business, sports, military or simply group work.

The question of what leaders do is an interesting one. There are various styles in which leadership is defined but at the end of the day, the goals anticipated should be achieved. The key issue here is to look at how it helps in achieving the intended goals. As a known tool, down the ages of time, it transforms habits, perceptions and cultures to that what is required to be done to achieve desired goals. Most important, Leadership is characterized by ethical or moral conduct. However, Leaders are people who know what should be done and share responsibility, even willing to learn.

The measure

An effective leader embarks on evidence and not opinion on matters which are at the Centre of the heart. A leader should look for change brought about through small steps and quick wins. This portrays that a leader aligns capability and ambition to transform talent or knowledge into a resource which could be used by the organization or a group to achieve desired outcome. Mindful leaders make good decisions because they are deemed to be at the center of excellence.

Vision carrier

A leader must have or protect a vision and communicate this, so that people can buy into it as they come on board to do the work and also to help drive the vision. Mentoring is very essential if the vision could be appreciated by others. A good leader makes a plan to outline the milestones in which desired outcomes and targets should be accomplished. It may take a lot of time for some people to master the ropes. But forming alliances at this time is a smart thing to do. This helps to look outside the walls of the organization or group for new product or service ideas. Coaching and Training is equally essential for good leadership.

As Change Drivers

A leader should add value to processes or activities underscored in the achievement of desired goals. They bring strategy to turn around the way of doing things .They put reality into high street perceptions and maintain control in order to progressively move away from status quo. At the end of it all, leaders should retreat and ask themselves whether they achieved what was set to be achieved. To achieve desired results, they should communicate effectively to let everyone know what is at stake or desired. A responsible leader must build self-confidence and ego in the people he or she is working with.

Planners

The first step in planning should be a good brainstorming session with all the people involved in a task. Not only does this provide the best combination of useful input and ideas, it also gives all team members a sense of ownership in the work and a feeling of being part of the solution. Things to consider in the brainstorming session include:

- What are all the ingredients necessary for a successful completion of the task?;and
- What are all the possible obstacles which could hinder or cause the project to fail?

As leader of the team, it is your responsibility to keep an open mind and listen carefully to contributions and judgments from all members of the team. Then work together with the team to consider all the possible obstacles and challenges to success, as well as what actions could be taken to prevent any hindrances.

Spend time making a detailed plan which includes: who, what, when, where, how, and why. Think carefully

about questions such as:

- How is the current situation?
- What is supposed to be done?
- When does it start? When does it end?
- Where will it take place?
- How will it be done?
- Why must we do it?
- Who will do it ?

It is key to employ your team abilities to the full here – by systematically defining and arranging each task in the plan.

Delegates

A leader must be delegating work, just as Jesus delegated his disciples to distribute the fish and loaves of bread to the hungry crowd of 5000 people after they had only two fish and five loaves. It is one of the core concepts of leadership. However, the person who delegated the work remains accountable for the outcome of the delegated work. In this case, Jesus did not end there he made his disciples pick up all the left overs which later filled up twelve baskets. Most important this provides opportunities of growth and self-development to junior officers and improve individuals as well as overall efficiency of the Organization. It is also in itself a human resource development technique.

Motivates

One of the key skills of a good leader is the ability to motivate others to willingly perform certain actions and reach for a certain goal. Regardless of your personal leadership style, doing a few simple things will help you motivate the other members of your team more easily.

People are motivated by a complex variety of things such as their values, beliefs, interests, needs, desires, what they believe to be worthy causes and of course, fear. Some of these, such as interests, needs and beliefs, are internal – whilst others, such as peer pressure or danger from the environment, are external.

Unfortunately, there is no simple formula for human motivation – each person's behaviour and actions are controlled by a complex array of forces and furthermore, the same forces may not steer two different people to act the same way. Therefore, it is a case of keeping an open mind and assessing each situation on its own merits. In this sense, motivation would depend on either the strength of the need or own- perception of the actions required to satisfy the need of motivation.

Manages time

Time management is incredibly important in any leadership role – not only is time valuable and does often actually equate to money, but it is also one of the few things which once wasted can never be regained. No matter your wealth, power or position, you can slow down, or speed up but never stop time. So learning good time management is an essential skill for an effective leader.

One of the best ways to improve your time management is to analyse how you spend your time and implement ways to best deal with tasks. However, be careful of getting too bogged down in details for obvious or routine tasks. Learn to do Priority lists or time management spreadsheets, separating work into 'priority piles' or color-coding tasks that you end up wasting more time in trying to manage it! Invest in implementing time management techniques that are less complicated, or you end up disheartened and return to your old bad habits of time mismanagement.

A Leader must avoid bad time-wasting habits which he or she may not even be conscious of such as :

- Procrastination – the biggest enemy!
- Spending a lot of time in meetings which come frequently but are ineffective and unproductive
- Being Indecisive (worrying about something not happening)
- Poor prioritizing –(focusing on self-interests first)
- Being unrealistic in time estimates
- Poor planning and lack of contingency plans
- Having to deal with too many interruptions or distractions
- Poor organisation
- Micro-managing others in the team
- Implementing things without thinking through and analysing the situation first for the most efficient solution.
- Not learning to delegate

Build relationships

The building of relationships is very important for a leader. A leader would work better when relations are supporting the cause for the vision. Leaders should develop a habit of challenging self – centric thinking in both themselves and others because these translate into unhealthy conflicts and negative emotions which retard the work processes and finally impair the vision. Leaders must inspire others and should not exempt themselves from collective responsibility in order to achieve their self –esteem. A leader is at the Centre of transformation strategy and should be seen in the buildup of relationships which lead to achieving the intended goals.

Networking

A leader should be Networking to accommodate the inflow and out flow of information and reduce on information imbalances created by barriers in communication. In so doing a leader will build strong parallel relations which will give additional information for add-ons to the generic Knowledge for that leader on achieving the vision.

GOVERNANCE, RISK AND CONTROL CONFERENCE HELD

Risk Based Auditing -From Hindsight to Foresight

By Mavin Banda - Principal Auditor

1. Introduction

The Conference on Governance, Risk and Control (GRC) was held at Avani Victoria Falls Resort in Livingstone, Zambia from 24th to 25th August 2017 under the auspices of the Institute of Internal Auditors (IIA) Zambia and Information Systems Audit and Control Association (ISACA) Lusaka Chapter.

The theme of the GRC conference was "From Hindsight to foresight" and drew participants from both public and private sector organisations. The conference had eight presenters drawn from different industry sectors and experience in governance, information systems audit and internal audits, of which three were local presenters while five were foreign nationals.

The conference was jointly opened by the Presidents of ISACA, Lusaka Chapter and IIA Zambia Chapter Mr. Moonga Mumba and Mrs. Joyce Phiri Sundano, respectively whose remarks echoed on the need to change the paradigm shift of planning and executing the audits from the traditional approach to risk based approach that not only optimizes organizational resources, but also epitomises proactiveness in approach. This approach addresses issues of foresight in auditing as opposed to the hindsight of looking at audits in retrospectives, the traditional approach. Both presidents emphasized on the need for the audit profession to ensure value addition to their respective organisations and clients.

The main objective of the conference was, therefore meant to trigger change of approach and perspective so that audits add value to organisations' processes in order for them to achieve set objectives.

2. Themes covered and lessons learnt

The conference was delivered in the form of lectures based on the practical audits and work experience of presenters in their respective industry of operation. The presentations were delivered in the form of PowerPoint presentations and also included open discussions, question and answer sessions to ensure that the conference was as interactive and practical as possible.

The conference covered nine main themes, namely: (i) Internal Audit in the World of Change (ii) Understanding Digital Forensic, (iii) Taking the Lead in Good Governance; (iv) Good to Great – Building a World Class Audit Organisation; (v) Enterprise Risk Management - Building new values; (vi) A call to Arms: Audit's Role in the Cyber War; (vii) Realising Value in A Digital World; (viii) Risk Based Auditing Procedures; and (ix) Auditing Public Sector.

Below is a synopsis of some of the key topics learnt:

(a). Internal Audit in the World of Change: The theme was presented by Ms. Claudelle Von Ech the Chief Executive Officer at the Institute of Internal Auditors, South Africa. She addressed three key issues and how they impact on an organisation, its processes including assurance functions such as audits. These were:- leadership in organisations, change management and organisational culture. She emphasised on the need for an auditor to understand the afore-alluded-to issues to effectively undertake internal audit planning and execution that adds value and is proactive in addressing a myriad of issues that could impact on an organisation's quest to achieve its corporate goals.

(b). Understanding Digital Forensics: The theme was presented by Lucas Chiloane, from Zimbabwean national with over ten years' experience in computer forensics and e-discovery. In his presentation, he covered inter-alia: Electronic Stored Information (ESI), Computer applications, computer storage, advanced analysis techniques and computer forensics.

He defined Digital Forensics as a practice of establishing and uncovering electronic evidence and facts with a view of presenting the same at some form of legal or formal proceeding. He stressed the need for forensic auditors to acquire competence in basic computing to be affective in their role. Such as the need to understand eelectronically stored information as this can pose a significant challenge when information needs to be identified, collected and managed for the purposes of an investigation or litigation.

The goal of digital forensics is to examine digital media in a forensically sound manner with the aim of identifying, preserving, recovering, analysing and presenting facts about the digital information. It takes special skills, techniques and technology to

find digital evidence and ensure it is gathered and preserved properly in the manner that conforms to local laws and regulations.

He mentioned that cases could be won or lost on basis of the quality and integrity of evidence, which affects its admissibility in court. It is therefore imperative for a forensic auditor to follow the chain of custody of collecting, preservation and disposal of audit evidence.

The presentation also covered Cybercrimes such as Cyber terrorism, Ransomware, Identity theft, Social engineering, Hacking, Distributed Denial of Service (DDoS) attacks.

The presenter further discussed Traditional Forensic Investigations. These were grouped into four sub-themes; as follows: (i). Asset Misappropriation: Cash embezzlement, Inventory theft and Procurement fraud such as kickback schemes, false vendors and Ghost employees; (ii). Financial Statement Fraud:- This covered revenue recognition issues, misapplication of Generally Accepted Accounting Practice (GAAP)and acquisition accounting; (iii). Business Fraud: - This covered issues such as insider trading; and (iv). Additional Service Lines in Forensic Investigations:- This sub-theme covered issues like, revenue recovery (royalties), purchase price disputes, arbitrations and anti-money laundering.

(c). Taking the Lead in Good Governance: This topic was presented by a local presenter, Mr. Chembe Chakalashi, Head of Internal and Control Audits at Lafarge Zambia.

Governance was defined as policies, processes, and structures used by an organization to direct and control its activities, to achieve its objectives, and to protect the interests of its diverse stakeholder groups in a manner consistent with appropriate ethical standards.

The theme stressed on the importance of good corporate governance in ensuring effective internal controls that safeguards organizational resources and protects the interests of all stakeholders. Classical examples were given of past corporate scandals that rocked the corporate world such as Enron, Satyam, AIG, Lehman Brothers, Wheels Fargo, among others; in which billions of United States Dollars were lost due to failure by those charged with governance to uphold their agency role. In all these scandal, internal and external audit assurance seem to have failed to detect or prevent the corporate scandals from happening.

(d). Good to Great – Building (and keeping) a World Class Audit Organization: A Case Study. The topic was presented by Mr. Tichaone Zorozoro, a Zimbabwean national based in South Africa. The theme was centered on the core objective of internal auditing that stems from its definition as an independent, objective assurance and consulting activity designed to add-value and improve an organization's operations.

Internal Auditing helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. It helps enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. As a very an authority in IT audits, the presenter wrapped his presentation with a capitulation on the need for IT auditing to under-go cultural shift: From controls driven approach to understanding the business and enabling the business; the need to understand that auditing is not in number of audits performed but aligning audits to enterprise strategic and performance objectives while focusing on risks to enterprise strategy and performance objectives and the need to avoid the temptation in auditing of copy paste test procedures or check list auditing.

(e). Risk Based Auditing Procedures: This topic was presented by Mr. Kaunda Thomas, Assistant Director Internal Audits at Zambia Revenue Authority.

It was quite an interesting presentation as it also involved a video presentation of the Benz Car factory. It dealt on the complexity of the control environment in which the auditor may be called to audit and how he or she can go about verifying the controls in such complex technological environments. The presentation dealt on the need to adopt the risk based auditing techniques as opposed to the traditional approach based on the audit universe. The need to come up with a risk based approach based on those risk that are critical and have a potential to curtail the attainment of organizational goals.

Therefore, organisations are expected to formulate controls that seeks to address key risks that may impede of its ability to achieve the corporate goals. The auditor then need to come up with the risk based audit approach that will test those controls if operational as opposed to the tick and tick or checklist traditional approach to auditing.

3. Benefits of the Workshop

The conference was beneficial in that it reminded the audit professional on the contemporary approach to auditing which should be risk based as opposed to the traditional approach based on the audit universe. It enabled the participants to be kept abreast with emergent development in IT audits such as cyber-security, network security assessment, digital forensics and adding value in a digital world, among others. In addition, it enabled officers earn and maintain the valuable Continuous Professional Education (CPE) points for their ISACA certifications.

4. Recommendations

Based on the workshop outcomes, two folds recommendations are hereby suggested both to ISACA, Lusaka Chapter, the IIA Zambia and the Office of the Auditor General Zambia.

Supreme Audit Institution Leadership and Stakeholder Meeting held in New York

From 20 to 21 July 2017, IDI and the United Nations (UN) jointly held the "Supreme Audit Institution Leadership and Stakeholder Meeting", which focused on "Auditing Preparedness for the Implementation of the Sustainable Development Goals (SDGs)" and took place at the UN headquarters in New York.

In the framework of this meeting, high-ranking representatives of SAIs and of important stakeholders engaged in an exchange of knowledge and experiences on topical themes and concerns related to the role of SAIs in reviewing the national implementation of SDGs (presentations).

The exchange of experiences revolved, among others, around the preparedness for the implementation of the SDGs from the perspective of auditors (under this agenda item, the INTOSAI General Secretariat informed the participants on INTOSAI's contribution to supporting SAIs in their important task of reviewing the implementation of the SDGs), the need for a comprehensive audit approach, stakeholder engagement in audits, mobilizing means of implementation of SDGs through audits or the application of indicators.

The discussions revealed, among others, that

- in reviewing the implementation of the SDGs, SAIs face the challenge of performing audits that go beyond traditional financial and compliance auditing;
- governments, as well as SAIs, have to take a holistic approach when it comes to implementing, or reviewing the implementation of, the SDGs;
- different stakeholders have great expectations with regard to the role of SAIs in implementing the SDGs;
- those different stakeholders should be engaged;
- numerous SAIs deliberated intensively over their contribution to the implementation of the SDGs and some have also initiated audits in this regard;
- coordinated audits offer valuable opportunities for the exchange of experiences and knowledge.

Article courtesy of INTOSAI website

GOVERNANCE, RISK AND CONTROL CONFERENCE HELD

Continued from page 15

ISACA/IAA:

- There is need to ensure that in future workshops, training materials are timely sent to participants to enable them and adequate time to familiarize themselves with the course content;
- Time keeping should be observed on the time-slots for the topic slated on the time-table;
- Improvements should be made on logistics to enable facilitator observe punctuality; and
- Abrupt cancellation of planned programs as was the case for the slated dinner should be avoided in future.

OAG-Zambia

- Increase in budgetary allocation for such important programs to ensure that more auditors participate; and
- Promote and encourage a change of paradigm shift in the conduct of audits and promote risk based audits to optimize on limited time, human and financial resources.

5. Conclusion

The workshop empowered participants with the knowledge and practical examples drawn from different industries where the facilitators were drawn from. The workshop was therefore timely as it served as a reminder that audit is fast evolving hence the need to swim with the tide and evolve or risk drowning in the past of "this is how we do things".

In conclusion, we would like to register our profound gratitude to the Auditor General and the senior management for having accorded us an opportunity to attend the conference and we pray that in future more auditors would be sent to participate in similar workshop. We undertake to share the knowledge with officers in the office and implement some of applicable issues in our audit execution in our quest for continuous improvements in the spirit of the Japan philosophy, "Kaizen".

Stakeholder Strategy Development Workshop Held in Kigali, Rwanda

By Chuma Chuma & Lubinda Sinyani – Planning & Information Directorate

Participants to the Stakeholder Strategy Development workshop pose for a group photo

The International Organization for Supreme Audit Institutions (INTOSAI), working through the Institutional Development Initiative (IDI), conducted a workshop on Stake Holder Strategy Development. The Workshop which was held in Kigali, Rwanda was conducted from 25th September to 6th October 2017. The Office was represented by Mr. Chuma Chuma, Principal Auditor – Projects and Mr. Lubinda Sinyani, Auditor – Research and Development.

The workshop was attended by twenty two (22) participants from eleven (11) countries. There were six (6) facilitators drawn from Cameroon, Sierra Leon, Jamaica, Costa Rica, Kenya and Zambia (AFROSAI-E Capacity Development Manager).

The purpose of the workshop was to train participants in how to identify stakeholders to be engaged and develop strategies for engaging them. This engagement is meant to help the SAI demonstrate its relevance to society in with line ISSAI 12 on Value and Benefits of SAIs. There are a number of steps to be undertaken which include the following:

1. Plan the strategy development process;
2. Understand the environment;
3. Stakeholder mapping;
4. Diagnose SAI communication processes;
5. Design strategy for each key stakeholder;
6. Develop communication plan with each Key stakeholder;
7. Write the strategy.

In considering engagement with stakeholders, it is important to identify key stakeholders and their needs before analyzing the means by which they will be engaged. Another consideration is the cost related issues; whereas some interventions cost a lot of money, there are opportunities especially for stakeholders who are already seeking to engage the SAI at their own cost. In addition, the use of internet and social media is a new phenomenon which is available to the SAI.

During the workshop, five (5) key stakeholders were identified and the group had to practice the material using these examples. These stakeholders included:

1. Parliament;
2. The Executive/ Audited Entities;
3. Media;
4. Internal Staff;
5. Civil Society Organizations / Citizens.

Although this was the top five list of stakeholders among the participants, SAIs are at liberty to come up with their own prioritized list depending on the environmental analysis and stakeholder survey that will be conducted.

In order to be able to come up with the Stakeholder Engagement Strategy, each SAI was requested to present an Action Plan for planning the plan. It is a requirement that such a plan be submitted to Management for its approval and support.

CANADA BENCHMARKING TOUR IN PICTURES

PAC members pose for photo with officials from the Treasury Board of Canada

PAC Chairman Hon. Howard Kunda and Clerk of the House of Commons of Canada Mr. Charles Robert

Auditor General Mr. Ron Mwambwa asking a question to the Clerk of the House of Commons Mr. Charles Robert (not in the picture)

Clerk of the House of Commons in Canada Charles Robert explaining to the PAC members during the tour of the House of commons

Officials from the Treasury Board interact with PAC members at their offices recently

Hon. Tambatamba stressing a point during a meeting with officials from the Treasury Board

PAC members pose for a photo with former senior PAC member of parliament in Canada

PAC members after a meeting with McCay Duff LLP, a private accounting firm, in Canada

PHOTO FOCUS

Acting Assistant Director Planning Mr. Bornwell Mpofu taking through the President and his delegation when they visited the OAG stand

The President asks questions to the Acting Assistant Director Planning Mr. Bornwell Mpofu

Participants to the IDI stakeholder Engagement workshop training in Rwanda

Some of the participants to the Stakeholder Strategy Development workshop in Kigali following proceedings of the workshop

PAC delegation following proceedings of the meeting

Participants to the Extractive Industries Training Workshop in Uganda

Hon. Kapembwa Simbao stressing a point during a meeting with Treasury Board officials

Officials from the Zambian High Commission to Canada pose for photo during the PAC tour of the House of Commons of Canada

MISSION STATEMENT:

"To provide quality audit and related consultancy services to government and other institutions in order to enhance accountability and value for money in the management of public resources for the benefit of society".

GOAL STATEMENT:

"To enhance accountability in the collection and utilization of public resources in order to contribute to sustainable development".

Office of the Auditor General HQ

Stand No.: 7951, Haile Selassie Avenue, Longacres
P.O. Box 50071, Lusaka
Tel.: +260 211 252611/ 0211 252772
Fax: 260 211 250349
Email: auditorg@ago.gov.zm
Web: www.ago.gov.zm

ADDRESSES FOR PROVINCIAL AUDIT OFFICES

Chinsali Provincial Audit Office
Plot No. CHINS/1951 Roads RDS 56
P.O. Box 480226
Chinsali

Chipata Provincial Audit Office
Corner of Kafula and Umodzi Roads
Stand No.: 3819
P.O. Box 51159
Chipata
Tel.: +260 216 221891
Fax: +260 216 221601

Kabwe Provincial Audit Office
Freedom Way
P.O. Box 80959
Kabwe
Tel.: +260 215 221758
Fax: +260 215 222291

Kasama Provincial Audit Office
Stand No.:1490, Zambia Road
P. O. Box 410490
Kasama
Tel: +260 214 221723
Fax: +260 214 221398

Livingstone Provincial Audit Office
Mosi-o-tunya Road
P. O. Box 60795
Livingstone
Tel: +260 213 320064
Fax: +260 213 321943

Lusaka Provincial Audit Office
Dedan Kimathi Road
P. O. Box 50439
Lusaka
Tel: +260 211 222120

Mansa Provincial Audit Office
Stand No.: 2880
P. O. Box 710231
Mansa
Tel: +260 212 821103

Mongu Provincial Audit Office
Stand No.: 152
Independence Avenue
P. O. Box 910399
Mongu
Tel: +260 217 221092
Fax: +260 217 221092

Ndola Provincial Audit Office
Stand No.: 152
Independence Avenue
P. O. Box 70562
Ndola
Tel: +260 212 612804
+260 212 613416

Solwezi Provincial Audit Office
College Road
P. O. Box 110144
Solwezi
Tel: +260 218 821296
Fax: +260 218 821618