



**REPUBLIC OF ZAMBIA**

**REPORT**

**OF THE**

**PUBLIC ACCOUNTS COMMITTEE**

**ON THE**

**ACCOUNTANTS (AMENDMENT) BILL, N.A.B. NO.22 OF 2021**

**FOR THE**

**FIFTH SESSION OF THE TWELFTH NATIONAL ASSEMBLY**

*Published by the National Assembly of Zambia*

**REPORT OF THE**

**PUBLIC ACCOUNTS COMMITTEE**

**ON THE**

**ACCOUNTANTS (AMENDMENT) BILL, N.A.B. NO.22 OF 2021**

**FOR THE**

**FIFTH SESSION OF THE TWELFTH NATIONAL ASSEMBLY**

## TABLE OF CONTENTS

<b>Item</b>		<b>Page No.</b>
1.0	Membership of the Committee	1
2.0	Functions of the Committee	1
3.0	Meetings of the Committee	1
4.0	Procedure adopted by the Committee	1
5.0	Background	1
6.0	Objects of the Bill	2
7.0	Salient Provisions of the Bill	2
8.0	Submissions and Concerns by Stakeholders	2
9.0	Submission from the Minister of Finance	4
10.0	Committee's Observations and Recommendations	5
11.0	Conclusion	5
<b>Appendix I:</b> List of National Assembly Officials		7
<b>Appendix II:</b> List of Witnesses		8

# **REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE ACCOUNTANTS (AMENDMENT) BILL, N.A.B. NO. 22 OF 2021 FOR THE FIFTH SESSION OF THE TWELFTH NATIONAL ASSEMBLY**

## **1.0 MEMBERSHIP OF THE COMMITTEE**

The Committee consisted of Mr H Kunda, MP (Chairperson); Ms B M Tambatamba, MP (Vice Chairperson); Mr M Mbulakulima, MP; Mr C Mweetwa, MP; Mr T J Kasonso, MP; Mr K Simbao, MP; Ms D Mwape, MP; Mr A C Mumba, MP; Mr V Lumayi, MP; and Mr A K Mukosa, MP.

The Honourable Mr Speaker  
National Assembly  
Parliament Buildings  
**LUSAKA**

Sir,

The Committee has the honour to present its Report on the Accountants (Amendment) Bill, N.A.B. No.22 of 2021 referred to it by the House on 9<sup>th</sup> March, 2021.

## **2.0 FUNCTIONS OF THE COMMITTEE**

The functions of the Committee are set out in Standing Order No. 153(3) of the National Assembly Standing Orders, 2016. Further, pursuant to Standing Order No. 102 the Accountants (Amendment) Bill, N.A.B. No.22 of 2021 was referred to the Committee.

## **3.0 MEETINGS OF THE COMMITTEE**

The Committee held five meetings to consider the Accountants (Amendment) Bill, N.A.B. No. 22 of 2021.

## **4.0 PROCEDURE ADOPTED BY THE COMMITTEE**

In order to gain insight into the ramifications of the Bill, the Committee sought both written and oral submissions from various stakeholders. The list of stakeholders who made submissions before the Committee is at Appendix II.

## **5.0 BACKGROUND**

This Bill sought to amend the *Accountants Act, No. 13 of 2008*, so as to revise the functions of the Zambia Institute of Chartered Accountants (ZICA). It had been noted that various higher learning institutions had authority to accredit learning programmes for both foreign and local higher education institutions. This had resulted in the duplication of functions between the Higher Education Authority and ZICA. There was therefore, need to amend legislation providing for training and accreditation of learning programmes and qualifications in various fields in order

to align it with the *Higher Education Act, No. 4 of 2013*. The alignment would ensure that the Higher Education Authority retained the sole mandate of accreditation of learning programmes.

## **6.0 OBJECTS OF THE BILL**

The object of the Bill was to amend the *Accountants Act, No. 13 of 2008* so as to revise the functions of the Zambia Institute of Chartered Accountants.

## **7.0 SALIENT PROVISIONS OF THE BILL**

The salient features of the Bill are set out below.

### **7.1 Clause 1 – Short title**

The clause provided for the short title of the Act which was to be read as one with the principal Act.

### **7.2 Clause 2 –Amendment of section 5**

This clause sought to amend section 5 of the principal Act so as to revise the functions of the Zambia Institute of Chartered Accountants (ZICA) by deleting section 5(2) (e) and 5(3) (c) which mandated the Institute to accredit local and foreign institutes and qualifications and determine the fees for those local and foreign institutes and qualifications, respectively. This was in recognition of the Zambia Qualifications Authority's mandate in the *Zambia Qualifications Authority Act, No. 13 of 2011*, to accredit and recognise qualifications provided by professional bodies.

### **7.3 Clause 3 – Amendment of section 13**

Clause 3 sought to repeal section 13 of the principal Act which permitted the Minister to recognise, by Statutory Instrument, local and foreign qualifications accredited by ZICA for purposes of registration under the Act as this was the mandate of the Zambia Qualifications Authority as provided for under the *Zambia Qualifications Authority Act, No. 13 of 2011*.

## **8.0 STAKEHOLDERS' SUBMISSIONS AND CONCERNS**

### **8.1 General Concerns**

All except one of the stakeholders who interacted with the Committee were in support of the Bill. The stakeholder in opposition of the amendment submitted that the core mandate of ZICA was to regulate the accountancy profession. Therefore, it could not do so without accreditation of qualifications and institutions. The stakeholder stated that the Accountants (Amendment) Bill, N.A.B No. 22 of 2021 was at variance with the intended purpose of the principal Act. The stakeholder contended that if people in the profession and accounting institutions were not officially recognised as being able to perform accounting activities, it would create a situation that may allow unqualified people to acquire forged qualifications and masquerade as accountants since accreditation of institutions ensured that they met and maintained the minimum set standards.

The stakeholder also submitted that the accounting profession was a noble profession that was subject to professional ethics. It was therefore, important to ensure that learning institutions offering accountancy training provided quality programmes through rigorous assessments. Furthermore, an accredited qualification enhanced the quality of the qualification nationally and internationally and provided confidence in the employers that the holder of the qualification was a professional.

Other stakeholders also submitted that ZICA should not have representation on the Zambia Qualifications Authority (ZAQA) Board to avoid conflict of interest, since the Institute was also offering qualifications.

## **8.2 Specific Concerns and Recommendations**

The stakeholders in supporting the Bill raised the specific concerns set out hereunder.

### **8.2.1 Clause 2 – Amendment of section 5**

The clause proposed the deletion of section 5(2) (e) and 5(3) (c), of the principal Act and the renumbering of the paragraphs accordingly. Section 5(2) (e) and 5(3) (c) empowered the Institute to accredit local and foreign institutes and qualifications and to determine fees for the accreditation of local and foreign institutes and qualifications, respectively.

The stakeholders welcomed the amendment of section 5 of the principal Act. They stated that the amendment was necessary as it eliminated the duplication of the function of the accreditation of local and foreign institutes and qualifications by ensuring that the function was performed only by the Higher Education Authority and the Zambia Qualifications Authority in accordance with their mandates under the *Higher Education Act, No.4 of 2013* and the *Zambia Qualifications Authority Act, No. 13 of 2011*, respectively

The stakeholders were however, concerned that in view of the proposed deletion of section 5(2) (e) of the principal Act, it was not clear whether ZICA would be represented on appropriate committees responsible for the accreditation of local and foreign institutes and qualifications at the responsible institutions. The stakeholders contended that ZICA was an authority on accounting issues in Zambia and had the expertise to effectively evaluate local and foreign institutes and qualifications for purposes of accreditation and quality assurance. The stakeholders, therefore, recommended that the law should provide for the representation of ZICA on appropriate committees at the Higher Education Authority and the Zambia Qualifications Authority in order for ZICA to provide input in the accreditation process.

Meanwhile, one stakeholder argued that it was important for ZICA to maintain its regulatory powers and proposed the following provision as a replacement of the deleted paragraph (e):  
“ZICA shall retain the right to accept or decline a qualification for membership purposes based on whether it meets the minimum acceptable International Federation of Accountants (IFAC) standards in terms of content of the programme□

With regard to the deletion of section 5(3) (c) of the principal Act and the renumbering of paragraph (d) as paragraph (c), one stakeholder noted that section 5(3) (d) of the principal Act

was linked to section 5(3) (c) and therefore, recommended that it too be deleted following the deletion of section 5(3) (c) as it had become redundant.

## **9.0 SUBMISSION FROM THE MINISTER OF FINANCE**

The Hon Minister of Finance submitted that the object of the Accountants (Amendment) Bill, N.A.B No. 22 of 2021 was to amend the *Accountants Act, No.13 of 2008* so as to revise the functions of the Zambia Institute of the Chartered Accountants and resolve areas of conflict with other pieces of legislation. The amendment would, therefore, align the *Accountants Act, No.13 of 2008 to the Higher Education Act, No. 4 of 2013* and *Zambia Qualifications Authority Act, No.13 of 2011* to ensure that the provisions on training and accreditation of learning programmes and qualifications were amended.

The Hon Minister of Finance further submitted that in coming up with the Bill, consultations were undertaken with various stakeholders, including Cabinet Office, the Ministry of Higher Education and the Zambia Qualifications Authority. These stakeholders supported the amendments to all statutes that had the mandate to accredit learning programmes and qualifications so that the mandate to accredit remained only with the Higher Education Authority and the Zambia Qualifications Authority.

## **9.1 RESPONSES BY THE MINISTER OF FINANCE’S TO THE STAKEHOLDERS’ CONCERNS**

### **9.1.1 Clause 2 – Amendment of section 5**

The stakeholders were concerned that in view of the proposed deletion of section 5(2) (e) of the principal Act, it was not clear whether ZICA would be represented on appropriate committees responsible for the accreditation of local and foreign institutes and qualifications at the Higher Education Authority and the Zambia Qualifications Authority. The stakeholders contended that ZICA was an authority on accounting issues in Zambia and had the expertise to effectively evaluate local and foreign institutes and qualifications for purposes of accreditation and quality assurance. The stakeholders therefore, recommended that the law should provide for the representation of ZICA on appropriate committees of the Higher Education Authority and the Zambia Qualifications Authority in order for ZICA to provide input in the accreditation process.

One stakeholder also argued that it was important for ZICA to maintain its regulatory powers and proposed the following provision as a replacement of the deleted paragraph (e):

“ZICA shall retain the right to accept or decline a qualification for membership purposes based on whether it meets the minimum acceptable International Federation of Accountants (IFAC) standards in terms of content of the programme□

In his response, the Hon Minister of Finance submitted that representation of ZICA on appropriate committees was a matter that could be dealt with administratively by the two Authorities. If they assessed that they needed the expertise of ZICA or a particular institution, a

decision could be made to draw on such expertise as the Bill did not prohibit that. Furthermore, ZICA was represented on the Zambia Qualifications Authority Board.

With regard to the issue of ZICA maintaining its regulatory powers, the Hon Minister of Finance submitted that such a proposal would give ZICA a right of veto and it was inappropriate as other institutions would demand the same power and cause confusion. In this regard, the Ministry of Finance could not support the proposal.

## **10.0 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

The Committee is generally in support of the Bill as the proposed amendments to the principal Act are well intended to ensure that there is no duplication of functions by ZICA and the Higher Education Authority and the Zambia Qualifications Authority.

In supporting the Bill, the Committee makes the observations and recommendations set out below.

### **10.1 Clause 2 – Amendment of section 5**

The Committee notes that section 9(1)(c) of the *Zambia Qualifications Authority Act, No. 13 of 2011* mandates the Authority to accredit a qualification or part-qualification recommended by an appropriate authority if it meets the relevant criteria. This is the same mandate that ZICA has under section 5(2) (e) in relation to the accountancy qualifications and it is therefore, duplicated. The Committee recommends that the amendment of section 5 by the deletion of 5(2) (e) be enacted so as to eliminate the current duplication of powers to accredit qualifications.

The Committee further agrees with the stakeholders' observation that ZICA has the requisite expertise in the field of accountancy and also has vast experience following years of having been involved in the accreditation of local and foreign institutes and qualifications. The Committee, in agreeing with the proposed amendment of section 5, therefore, recommends that the law should provide for ZICA's representation on appropriate committees at both the Higher Education Authority and the Zambia Qualifications Authority in order to ensure that it continues to provide input in the accreditation process relating to the accountancy profession.

### **10.2 Clause 3 – Amendment of section 13**

The Committee welcomes the proposal to repeal section 13 of the principal Act to remove the power of the Minister to recognise any local and foreign qualifications accredited by the Institute following the deletion of section 5(2)(e) as accreditation of qualifications is the mandate of the Zambia Qualifications Authority. The Committee therefore, recommends that the amendment be enacted.



## 11.0 CONCLUSION

The Committee fully supports the Bill while urging the Government to take note of the Committee's recommendations.

The Committee wishes to express its gratitude to all the stakeholders who virtually appeared before it and tendered both oral and written submissions. The Committee wishes to thank you Mr Speaker and the Clerk of the National Assembly for the guidance and support services rendered to it throughout its deliberations.

We have the honour to be, Sir, the Public Accounts Committee, tasked to scrutinise the Accountants (Amendment) Bill, N.A.B. No. 22 of 2021 for the Fifth Session of the Twelfth National Assembly,

Mr H Kunda, MP  
**(Chairperson)**

Ms B M Tambatamba, MP  
**(Vice Chairperson)**

Mr M Mbulakulima, MP  
**(Member)**

Mr C Mweetwa, MP  
**(Member)**

Mr T J Kasonso, MP  
**(Member)**

Mr K Simbao, MP  
**(Member)**

Ms D Mwape, MP  
**(Member)**

Mr A C Mumba, MP  
**(Member)**

Mr V Lumayi, MP  
**(Member)**

Mr A K Mukosa, MP  
**(Member)**

March, 2021  
**LUSAKA**

## **Appendix I: List of National Assembly Officials**

Ms C Musonda, Principal Clerk of Committees  
Mr F Nabulyato, Deputy Principal Clerk of Committees (SC)  
Mr H Mulenga, Deputy Principal Clerk of Committees (FC)  
Mrs C K Mumba, Senior Committee Clerk (FC)  
Mrs A M Banda, Committee Clerk  
Mr M Chuba, Committee Clerk  
Ms I Mwiya, Typist  
Mr D Lupiya, Committee Assistant  
Mr M Chikome, Committee Assistant  
Mr M Kantumoya, Parliamentary Messenger

## **Appendix II: List of Witnesses**

### **Ministry of Justice**

Mrs M M Nkhoma, Parliamentary Counsel

### **Ministry of Finance**

Dr E M Pamu, Permanent Secretary □ Budget and Economic Affairs

Mrs B B Sinyangwe, Senior Economist

Mr E Manunga, Principal Accountant

Ms M Mbulo, Planner

### **The Zambia Institute of Chartered Accountants (ZICA)**

Mr B Kashinga, Chief Executive Officer

Ms P M Hantumba, Director □ Membership and Corporate Services

Mr M Mwaba, Director □ Standards and Regulation

Ms S M Hanene, acting Director- Education and Training

Mr S Olaniyan, Manager □ Technical and Membership Services

Mr F Chilingwe, Technical Officer Accounting and Taxation

### **Office of the Accountant General**

Mr K Musonda, Accountant General

Mr E Manunga, Principal Accountant

### **The Copperbelt University**

Dr C Shikaputo, Dean □ School of Business

Mrs D M Sikazwe, Lecturer □ Accounting and Finance

### **PricewaterhouseCoopers**

Mr A Chibuye, Country Senior Partner

### **Transparency International Zambia**

Mr B Chizonde, Advocacy, Policy and Research Specialist

### **Office of the Auditor General**

Dr D C Sichembe, Auditor General

Mr F Mbewe, Deputy Auditor General □ Audits

Ms C Mazimba, Deputy Auditor General □ Corporate Services Division

Mr C Mwelwa, Executive Assistant to the Auditor General

Mr D Siame, Director Planning

Mr G Tembo, Senior Auditor

Ms E Chikale, Public Relations Officer

**Association of Chartered Certified Accountants**

Ms J Matwi, Country Head Zambia

Mr M Siame, Association of Chartered Certified Accountants Zambia Network Panel  
Chairperson

**KPMG Zambia**

Mr J Kazilimani, Senior Partner and Chief Executive Officer

**Chartered Institute of Management Accountants**

Mr G Bowa, Chartered Institute of Management Accountants Zambia Country Manager

**Bankers Association of Zambia**

Mr L Mwanza, Chief Executive Officer

Mr M Musokotwane, Stanbic Bank Zambia Limited

Mr T Chama, Stanbic Bank Zambia Limited

Ms N Nakamba, Zambia National Commercial Bank Plc

Mr T Muchiya, Industrial Commercial Bank

Ms M Zimba, Public Relations Officer

Mr M Siakalima, Stanbic Bank Zambia Limited

**Ministry of Finance**

Hon B Ngāndu, Minister

Mr K Musonda, Accountant General

Mr E Manunga, Principal Accountant

Mr A Imwiko, Assistant Director □Economic Management Department