



The Evolving Accountancy Profession

■ **The Treasury Role of a Financial Accountant**

■ **China And Mercantilist Theories:**
Can The Chinese Renminbi Overtake The United States Dollar As A Hegemonic Currency?

■ **A Profession Called to Account**

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DO GREAT THINGS EVERY DAY



Editorial



Welcome to ICAM Magazine.

From the editor's desk, it is my pleasure to serve you members of ICAM and the Institute itself.

The Institute is grateful to you members for your selfless contributions and participation in various trainings, events, programs and other activities organised and managed by the institute. Feel indebted.

Probably, most of you already know that ICAM has new CEO, CA. Noel Zigowa. He was appointed by ICAM Council on 1st July 2023. He replaces the Late Dr. Francis Chinjoka Gondwe who passed on 20th August 2022. May his soul continue resting in peace.

The institute's premise is to promote the accountancy professional in Malawi. In this regard, the Council and ICAM Team endeavours to remain relevant to its members by ensuring that value-addition is the keystone of every activity at the institute. Accountancy professionals are the salt of society and to be considered adding value, they need to be exemplary. The magazine features an article from well-known social media influencer-cum- accountancy professional, Stanley Onjezani Kenani.

The economic challenges that the country is passing through are continuously shrinking the accountancy professional's practice space, which entails deliberate continuous creative efforts. The Magazine features an article from Pyoka Mfuni, elucidating the need for the finance function to embrace effective, decisive and inspirational leadership to create a strong link between strategy and cost management.

The role of accountancy professionals is still evolving to keep up with the dynamism of various industrial sectors. Of late IFRS have seen updates on insurance contracts, improvements in accounting policy disclosures, companies recognising deferred tax related to assets and liabilities arising from single transaction etc. Such continuous changes and updates entail that accountancy professionals utilize and maximise available platforms, including ICAM activities, to ensure they are up to date.

I am sure that the pace of change and uncertainty we are currently living with will bring more trials in the future, but we have been resilient and I am confident we will overcome any challenges with the innovative and positive outlook we have demonstrated to date and see Malawi developing and achieve the 2063 goals.

The articles in this edition will surely add value. Enjoy reading them.

Lusayo Msukwa.

ICAM Magazine

ICAM House
Masauko Chipembere Highway
P.O. Box 1, Blantyre
Tel: 0111 895 216
0111 895 217
0111 895 218

EDITORIAL TEAM

Charles Chimpeni

Patrick Achitabwino (Up to October 2022)

Lusayo Msukwa (From 1st June 2023)

Steve Khoriyo (Designer)

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VISION

A chartered accountant in every organization in Malawi

MISSION

Promote the development of the accountancy profession in Malawi through the provision of globally recognized qualification and training and advocate for issues of public interests for the benefits of students, members, government and others

VALUES

Customer Centric

We understand customers' situations, perception and expectations

Leadership

We develop and empower leaders

Integrity

We know and do what is right with professionalism and fairness

Diversity

We respect and appreciate differences in age, gender, ethnicity, education, physical abilities, race and religion amongst individuals

Adaptability

We positively respond to change

Transparency

We promote honest and open communication

Accountability

We are responsible for our words, our actions and our results.

Message from the President

Dear Colleagues,

Welcome again to ICAM Magazine...

First of all, I am grateful for the trust you gave me to serve as President of the Council of the Institute of Chartered Accountants in Malawi (ICAM). I continue, as I am obliged, to make every effort to further improve the relevance of our professional body and the quality of services provided to the Malawian economy and beyond to ensure that we are all proud to belong to such a noble and honorable profession.

Throughout its history, ICAM has consistently and meticulously adapted to legislative changes and regulatory frameworks thereby keeping the standards high by supporting members /students and promoting excellent cooperative relations with our collaborators and partners both domestically and internationally.

I want to assure you all that my term, as President of ICAM and Council, will continue to expediently champion the promotion and relevance of the accountancy profession in Malawi, as we aim to build a highly ethical society and foster an environment of strong compliance. Together with my colleagues from the Council, we are striving to achieve this through raising the profile of our accountants as seen through the introduction of the "Chartered Accountant" ("CA") designation in the salutation of accountants and working together with stakeholders to ensure we all appreciate the importance of all stakeholders registering their accountants with ICAM. These initiatives have been welcomed positively and our members use the CA designation with much pride and joy, while stakeholders have welcomed it and the assurance of competence accountability the designation purveys. We also aim to bring the much-needed value addition to the accountancy profession in Malawi through the professional services, training, and education and the independence and neutrality characterized by the profession over the years.

We are coming from the sad passing of our ICAM CEO in August 2022. Late Dr. Francis Chinjoka Gondwe was a friend with whom and I interacted on several occasions on both professional and personal occasions. As ICAM Council, we are grateful for his immeasurable contribution to the institute during his tenure. May his soul continue resting in peace.

Following the departure of Dr. Francis Gondwe, the Council appointed CA. Charles Chimpeni, the Director of Technical and Membership Services, as Acting CEO, to ensure continuity of operations at the institute. I and the Council are very grateful for his professional leadership and significant achievements made during the 10-month tenure of his



acting capacity. The council remains indebted to him.

From October 2022, the ICAM Council went on a quest to recruit a suitably qualified and experienced professional to fill the vacant position of CEO at ICAM. After a transparent, comprehensive, and independent recruitment process, the ICAM Council appointed CA. Noel Zigowa, as the new CEO of ICAM on 1st July 2023. To this end, let us all welcome him.

Looking ahead to the appointment of CA Noel Zigowa, beyond the ever-increasing demands and expectations of the accountancy profession, the Council is aware and determined to support his leadership at ICAM to pursue the vision and mission of ICAM. This will ensure ICAM remains an organization that is visible and valued-adding as possible, perceived as a reliable

partner and collaborator by regulators, industry players, members, students, and the nation at large.

In Malawi, the accounting profession has always held a significant position by virtue that accountancy professionals are viewed as trusted advisers. I believe that the principal role of a professional accounting organization is to act in the public interest and the ICAM Council and Secretariat embed this concept throughout the work that we do.

To this end, ICAM Council and Secretariat has over the years been diligently monitoring the economic developments locally and internationally. Reminiscing time from 2020, after significant recovery from worldwide Covid 19 disruptions, the side effects of the Russia-Ukraine war have taken some economies and professions one step back. Malawi and the accountancy profession have not been spared. The big question is ... what role will the accountancy profession play in this continued uncertain economic environment in Malawi?

The side effects of the Russia-Ukraine war and ever increasing desire by the Malawian government to borrow coupled with other economic triggers, resulted in the devaluation of the Malawian Kwacha in Jan 2023. The Malawian kwacha was also systematically devalued through the law of demand and supply through public forex auctions. Being a landlocked country and a net importer, this spelled further negative economic consequences. Fuel prices were adjusted upwards creating a spiral effect in the entire economy. Prices of goods and services continued skyrocketing. This ensued in most organizations except a few, struggling to break even and hardly dreaming of making a profit.

Most organizations and government departments significantly reduced expenses and manpower, hence shrinking the space for accountancy professionals to generate and provide services. With changes in technology and working culture, this is an impetus for accountancy professionals to become more creative and value-adding to their clients and society at large.

My fellow accountants, despite Malawi being a third-world country, we all have been subjected to such a rapid pace of change that disruption has become more a way of life than an exception. These disruptions are brought about through innovations made by a few individuals who refuse to accept limitations; who are keen to relook at the challenges and find a solution which can change the paradigm. Years ago, disruption was a word with strong negative connotations, but today it has become the fulcrum of creativity and the springboard of innovation. The profession demands remaining relevant by keeping abreast of change with modern tools and applications.

We all have been subjected to a rapid pace of change that disruption has become a way of life than an exception

I believe it is time accountants embark on the needed route to start digitizing the services offered to members, expanding the accountancy market by identifying the opportunity for new services that can be carried out by conveniently and innovatively, thereby increasing our value addition to both clients and employers. The digital age that the world is going through reflects an overall societal and industrial change, which accountancy professionals, cannot avoid but from which they can reap many benefits. The time has come for our members to become “digital accountancy professionals,” who manage or provide services to various organizations that have or are going digital and deliver added value by means of competent and efficient tools in service delivery.

I am confident in the future of the institute and believe that we are ready to embrace the changes and innovations that will potentially redefine the accountancy profession in the years to come. We are listening to you members on your needs and requirements, we are adapting and will continue to do so, positioning the institute so that we can help the profession to stay relevant in the present ever changing and ever challenging business environment.



CA. Moffat Ngalande
ICAM President

Message from the CEO



We welcome all students, members, potential members, accounting, and finance professionals involved in public, private, and non-profit sectors, and others with an interest in accounting and finance to ICAM.

I would like to express my profound gratitude to members who contribute articles to this magazine. Feel indebted that you make a significant contribution to the growth of the accountancy profession in Malawi and beyond. You challenge your fellow accountants and other professionals to always seek and share knowledge.

As I reminisce over the developments and emerging trends shaping the future of the accountancy profession in Malawi, I recognize that one of our profession's critical premises is building a better future and supporting the economic progress of the country to ensure the relevance and sustainability of the profession. As an institute and professionals, our role is to facilitate the development of a vibrant society by effectively linking various aspects of performance, value creation, trust-building reforms, and innovative transformations that foster growth in a constantly evolving and erratic environment.

Looking back, amidst challenges faced in 2022, ICAM was still steadfast in its purpose of promoting and developing the profession. Throughout 2022 and the first half of 2023, we carried out value-adding events and enforcement activities physically and virtually, to enhance compliance and protect the public interest.

We fortified our training, education, and development activities and programs to enhance competency among our members in all key sectors of public practice, professional accountants in business, the public sector, and academia. We further continued to emphasize digital platforms and virtual connections to enhance value-adding services to members, some through ICAM's association with international accountancy bodies.

ICAM will continue to prioritize key initiatives that support the membership development agenda for the benefit of the profession and members while providing continuing updates and support within

Dear Fellow Members and Colleagues

After ICAM magazine went into hibernation, it has now come back rebranded after re-thinking the dimensions of the accountancy profession in Malawi and beyond.

As an institute, we strive to reach our envisioned goals and in every effort fulfill our commitments to the profession to educate, train, equip, and also foster ethical standards among ICAM members and the general public too. We warmly appreciate the regulators' proactive & supportive roles towards this end.

the erratic Malawian economy, as well as facilitating businesses, firms, and the public sector to continue remaining relevant. ICAM envisions that through acquiring new skill sets, members will become more agile, adaptable, and relevant.

Over the years, the accountancy profession has increasingly become not only a guardian of public interest, but also a trustworthy advisor to government bodies, institutions, and industries. Efficient public finance has always been a strategic metric of the economy. As professionals, our responsibility also goes beyond the government to provide them with better ways of managing the public purse and propose better innovative reforms for improved efficiency in the entire economy.

It is critical that we should possess the most advanced skills, up-to-date knowledge and the highest level of integrity to remain abreast with the evolving facets of the Malawian economy

For 2024, members can look forward to increased activities in professional reference, ethical guidance & mentorship activities, including guidance on choosing the recommendable accountancy service providers with good standing with the institute and the regulatory body. ICAM will also move towards the delivery of more content on ESG (Environmental, Social, and Governance) in its pieces of training which are specially formulated for accountants and financial professionals in all sectors of the Malawian economy as CSR are becoming more advanced.

Of late, Artificial Intelligence (AI) applications have stolen the show. The profession has another emerging threat on the international seen. ChatGPT and other like-minded apps are causing a lot of uncertainty due to insecurity about the future of the profession. ChatGPT is continuously

refining itself and has the capability of taking over a lot of tasks that are currently handled by skilled human beings like accountancy professionals.

The challenge posed by the technology to any existing norms, methodology, and value system is not new. Every innovation has posed existential threats to a certain section of society, which then has been forced to adapt and evolve to more efficient ways to stay relevant. So it is time for the accountancy profession in Malawi to start preparing to embrace the technologies that are emerging in the international accountancy space. Therefore, ICAM strongly encourages members to make full use of programs and activities to add value to their skill sets and portfolios. Members must become adept in emerging accountancy profession developments including ESG integration to support their organization's business continuity, enterprise purpose, and future sustainability.

As a pioneer and champion of credibility to the country's financial structure and system, it is critical that we should possess the most advanced skills, up-to-date knowledge, and the highest level of integrity to remain abreast with the evolving facets of the Malawian economy. It is our responsibility to embrace excellence and ethics to meet the expectations of our nation today and in the future. Quoting Albert Einstein, "The measure of intelligence is the adaptability to change". Let us all move in the direction of change.

As such, accountancy professionals need to maintain a broad perspective, define professional objectives accordingly, and remain resilient, adaptable, and agile to retain a competitive advantage in the ever-changing landscape.

Therefore, this is the appropriate time to make a difference amidst economic turmoil in Malawi and beyond. Let us join forces to deliver more value and become more sustainable in 2023 and beyond.



CA. Noel Zigowa
Chief Executive Officer

THE TREASURY ROLE OF A FINANCIAL ACCOUNTANT

CA. Tamanda Kapalamula CA(M), FCCA, CISA



The primary role of a Financial Accountant is to keep in control over the financial transactions of the business, making sure that they are recorded properly in the accounting systems in accordance with International Financial Reporting Standards and that financial reports and analyses are reported timeously to stakeholders. On the other hand, a Treasury Accountant's primary role is to forecast the cash inflows and the cash outflows of the organization and ensure that liquidity gaps are managed before they reach stress levels.

The critical things to consider when doing a due diligence on your money market player include its track record and history, liquidity, flexibility, speed of processing transactions, competitiveness of interest rates and transactional costs among others.

For many small and medium enterprises (SMEs) and Non-Governmental Organizations (NGOs), usually they do not have a Treasury Accountant to manage the cash flow operations of the entity. As a way of managing costs, many large organizations are also stripping off the position of a Treasury Accountant from their organization structure and this treasury role is being combined with the roles of ordinary Accountants or Senior Accountants, such as the Chief Accountant, the Finance Manager, the Director of Finance or the Chief Finance Officer. It is against this background that any Accountant needs to know how to professionally manage the working capital or cash flows of an organization and add value to the functions of the

business.

Liquidity is the primary factor to consider when looking into cash flow management of organizations. An entity should be able to make payments when they fall due and should be able to generate enough cash flows to maintain its operations and sustain its business growth. When a company is not able to make payments when they fall due it technically becomes insolvent and closes its doors even if it might be well capitalized. It is the treasury role of an accountant to ensure that cash and cash

equivalents from sales are received on time and that the cash available is used wisely to meet payments when they fall due.

While managing the liquidity requirements of the organization an accountant needs to know where to get cheaper sources of short-term finance when short or pressed with short term liquidity demands and also where to place excess cash flows so that it is available when needed. It is so naive for an accountant or an investor to keep excess cash in a savings or current account over months while waiting for a perfect time to pay suppliers or invest in a particular project. This is because money has a time value.



It is common practice for an entity to plan its budgets a year ahead and monitor its sales and expenditure throughout the financial year. Two major challenges faced when forecasting the revenue and expenditure for an organization are impacts of the inflation and depreciation of the functional currency of the entity on prices and expenses. Over a short period of time, the impact of inflation and exchange rate depreciation can be subtle such that it is hard to notice small changes in prices. However, over a longer period of time, the impact of inflation and exchange rate depreciation can be quite significant that if not managed can result in significant financial losses to the organization through foreign exchange losses, increase in the cost of running operations of the business and decrease in the economic value of the sales to customers.

Many a times, such exchange rate losses and increase in prices of raw materials and services cannot be passed on directly to the customers by adjusting prices. This calls for diligence from an accountant when monitoring the actual sales and expenditure against budgets and planning how to manage the net cash

flows of an organization profitably.

The money market is one of the readily available tools to an accountant in ensuring that the time value of money on excess cash inflows is not lost. Investing on the money market is a hedge against short term inflation and exchange rate fluctuations. The interest earned on the money market investments can supplement the income for the organization to cover budget expenditure deficits, and for highly liquid businesses, this can be quite significant and can become a reliable source of income to the organization.

There are many players on the money market in Malawi through which organizations can make short term placements for as short a period as seven (7) days in return for interest earnings which currently is above the inflation. Among these money market managers include the Discount House, Banks, and portfolio or fund managers. As the number of players on the money market is increasing it is crucial for Accountants to assess properly the entity from which to obtain money market services as failure to do so would result in avoidable

financial losses to the business. The critical things to consider when doing a due diligence on your money market player include its track record and history, liquidity, flexibility, speed of processing transactions, competitiveness of interest rates and transactional costs among others.

Before looking at the competitiveness of the interest rate that a money market manager is offering, a Financial Accountant when assuming this treasury role should consider whether the money market manager is able to pay back the funds on time when needed by looking at its track record and history. The way in which the money market manager invests its funds determines how soon it can be able to liquidate them and pay back its customers when short of liquidity. The more liquid assets the institution is invested in, the easier it is to convert such assets into cash. This information can easily be found by assessing the business model of the institution through an analysis of its audited financial statements as well as by following on current developments on the money market.

Since money market placements do not usually attract bank charges, including on transferring back of the investment proceeds, the organization should confirm if this is the case and ensure that there is flexibility to terminate the investment before the maturity date without any penalty charges. This is important as such transaction costs and penalties, no matter how small they may be, effectively reduce the interest return from the money market investment.



Most importantly, convenience is very crucial in cash flow management of an organization. In this regard, the money market manager should be able to process withdrawal of funds at least within the same business day when furnished with withdrawal instructions so that there is no loss of value in the funds and that the ultimate beneficiary is not inconvenienced. Having looked at the above key factors, the Accountant should consider if the interest being offered is competitive compared to market rates by comparing the rate being offered with what other money market players are offering.

It is the treasury role of any Accountant to ensure that idle funds in the bank accounts are not only invested profitably with money market players but also that the funds are invested with trusted investment managers. This will ensure that the company's financial resources are safeguarded from avoidable financial losses and that the Company's operations are not disrupted from failure to liquidate money market investments on time.



Tamanda is a Senior Manager - Investment & Business Development with First Discount House Limited, a subsidiary of FDH Financial Holdings Limited.

COST MANAGEMENT IN ACHIEVING ORGANISATION STRATEGY

Pyoka Mfuni, CA(Mw), MBA



The finance function requires effective, decisive, and inspirational leadership to create a strong link between strategy and cost management. Management accountant's function range from observing business/ organisation events, data collecting, financial information and knowledge for final decisions. Cost management information is for use in internal affairs and not meant for outsiders.

Cost management is the process of planning and controlling the costs associated with running a business. It includes collecting, analyzing and reporting cost information to more effectively budget, forecast and monitor costs. Cost management practices can be applied to specific projects or to the company's overall operating model and typically focuses on generating savings and maximizing profits in the long term. Strategy on the other hand, is a set of management plans and policies for the organisation, set

to develop sustainable growth in the long term as well. The Strategy feeds from information in the organisation regarding past and present to

determine future course of action.

Cost and Management accounting plays a critical role in strategy development and implementation as it is the source to collect, extract and supply the details to the management. Every organisation is expected to or must have a chief financial officer to look after the business management and function, strategy development and proper implementation. In the global village we live in, every organisation is affected with global phenomenon like economic recession, global competition, rising costs, technological innovation, pandemics etc. Hence an approach that ensures skills from all areas combined with vision working towards achievement of goal is required. The Management Accountant must be consistently aware of the changes in the business environment when collecting and analysing data. This information is used for prediction of immediate and far future of the organisation.

The head of the finance function therefore should drive corporate governance and compliance in cost management. Management Accountants should incorporate "strategic thinking" when addressing cost management using the following steps:

- **Communication.** Strategy and its integration with strategic cost management should be clearly articulated, concise, and easy to understand.
- **Cost differentiation.** Differentiate between costs that are relevant to strategy and have a long-term, sustainable impact in the achievement of relevant organisational objectives versus costs that are irrelevant, add no value, and therefore are irrelevant in any form of decision-making to support corporate objectives.
- **Change management.** Adopt an effective change management strategy that will align strategy and strategic cost management activities. This will ensure that the finance team embraces the new strategy to associate and integrate it with cost management. It is imperative that change management embeds the objectives of job rotation and multiskilling, ensuring finance professionals work in specific business functions with a strategic focus to develop skills in understanding and developing strategies.
- **Technology.** Using systems and processes that integrate strategy with strategic cost management is crucial in achieving a strategic focus on cost management.

The role of the finance function within the company should be considerably enhanced to support the achievement of strategic cost management and revenue enhancement.

Technology should be an enabler for creativity and innovation in the finance function to further enhance the integration of strategy with strategic cost management.

Encounters

There is lack of connection between cost management and strategy in organisations. In most cases, organisations are reactive to cost pressures and general changes in the business environment. The strategic goals are mostly forgotten and the short-term measures take priority.



Management and staff members often lack interest in understanding cost drivers. The focus on reports and results takes centre stage at the expense of driving strategic initiatives. Addressing these challenges lies at the root of allowing the finance function to add value to strategic cost management for any company.

Costs should be managed as part of a corporate strategy and cannot be seen or driven in isolation from revenue generation. Finance professionals must become business partners by actively participating in developing and implementing corporate strategy and strategic cost management, instead of focusing only on daily accounting record-keeping.

The key obstacles hindering the achievement of strategic cost management include but not limited to:

- Poor key performance indicator development;
- Short-term focus at the expense of long-term planning, and limitations in analytical ability and decision-making;
- The finance function's reluctance to become a strategic business partner;
- Limited management accountability; and
- Limited skills and capability to execute strategic cost management.

To overcome the above encounters, a company should compile success stories and challenges of strategic cost management implementation in other companies and then develop its own overriding corporate plan. This plan should focus on developing comprehensive and effective strategic cost management initiatives tied in with revenue enhancement that will benefit the company. This will require a change in corporate mindset away from short-termism and the

emphasis should be on following an integrated approach to strategic cost management and revenue enhancement.
Conclusion

The role of the finance function within the company should be considerably enhanced to support the achievement of strategic cost management and revenue enhancement. From the outset, finance professionals need to be involved in the corporate process to ensure that cost management follows an approach that aligns with long-term goals.



Pyoka Mfuni, CGMA, CA (Mw), MBA, is a Finance Director at Lilongwe Institute of Orthopaedics and Neurosurgery (LION), Freelance Management Consultant and Personal Finance Advisor.

To comment on this article or to suggest an idea for another article, contact Pyoka Mfuni, at pyokamfuni@gmail.com

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THE ACHIEVER'S BLUEPRINT



By Temwa Mzota
temwamzota@gmail.com

There are times when we ask ourselves: what does it take to be a great achiever? We notice that some people create great impact in the very same society where many of us just dream. Does the president just come out of nowhere to become the ruler, the most important individual of the moment? How about your favorite celebrity, what makes him/her stand out above the rest? The business mogul, how is he/she so wealthy in the same environment where millions of others are languishing on the bottom of poverty? You might have, at some points in life, asked yourself these questions. Were they just born great? Did probably nature just favour them?

It is a fact that success does not come on a silver platter. Successful people work for their success. But what activities and qualities actually lead to this level of success that amaze all of us? There surely is a path to greatness.

Knowing yourself is absolutely necessary

Every individual has strengths. Everyone has a talent that comes naturally to them and skills that they execute effortlessly. There are things that make you feel good when you do them. Most people who study personal

development agree that people who achieve great success in their lives pursue an occupation that they love and have passion for. Therefore, when navigating life, go for the area of interest that you have passion for. In the same manner of identifying your strengths, think about your weak areas. Knowing the areas in which you are not good means that you will know when to delegate tasks and put your focus and resources on areas where you are strong. The result is that you will be more resourceful and impactful.

It all comes down to knowing what works best for you. Someone's path to success may be a hindrance to your own path. What works for others may not necessarily work for you. That is why you should pay attention to discovering yourself. Be yourself. It may take time but every time when something works well for you, try to repeat and amplify it. The more success you get, the more focus you put into what is giving you the kind of success you enjoy. Along the way learn what does not work for you and let it go, it is a distraction to your success.

Setting goals is also an important part of the process. As you become familiar with who you are, you start seeing where you want to go with your life. Write down daily, monthly and annual goals that guide your steps to achieving your overall destiny. This is easier to do once you have learned to understand yourself. Decide what you believe you should achieve in your life. It could be a career in the civil service, a political pursuit, or a venture into entrepreneurship. The possibilities are endless. It does not all come clear at once, but over the years you will notice a direction in your life; one that is much clearer to you - your destiny.

The beginning does not have to be perfect

Start small, bit by bit. Great things take time to build. Each small step is important. The small steps may look unimportant ordinarily, but they contribute to the whole. You cannot build success at once. Keep growing by maintaining focus and persistence. Keep thinking of how to make the plan to the goal better. There must not be laxity. There must not be that moment

when you stop for a while with the view to continue later. Every small step must be taken seriously.

Habit management is important in maintain consistency. Have a workable plan in which every time you repeat tasks that lead to your goal. Waste no time in cutting off what does not work.

You need to get started with what you have in order to prove that your idea is worth it, that your idea has the potential. You need to get started in order to prove that you are capable of driving the idea; that you have the drive and competency. The best proof is the visible proof, a thing that everyone can plainly see. A big idea alone is not enough, it needs backing of proof. So just get started on the idea, even if it is in a small simple way.

The only way you will get there is by moving on and never giving up

Failure is a ladder to success; a bridge that must be crossed in order to reach the other side. You cannot possibly find a successful person who has not crossed that bridge. Great achievers never give up trying to cross the bridge to their ultimate destination. When you fail, you learn something, reevaluate your plan and find a better way. Try to see something good in the failure. Maybe you enjoyed the experience even though the result was not great. Be positive about it and focus on continuing on your journey. It could take many years to reach your breakthrough. The important thing is not to stop no matter what. You may need to change the way you approach your quest without necessarily changing the overall goal. When one way fails, there are other open opportunities. Failure is not the end of the road, it is just a chance to take advantage of a better opportunity.

With failure comes desperation and frustration. You are tempted to take shortcuts in the hope of speeding things up. This of course does not work, it may look attractive but it may take you backwards rather than forward. Work hard for your goal but be patient and do not push it.

The past cannot be undone. In the future anything is possible

The past is gone. No matter what you do, it cannot be changed. Limit regrets over it. Concentrate on fixing what went wrong and what is within your control. If it is impossible, there is no point wasting your effort in trying to change it. What you must do now is of great importance as opposed to what you should have done then.

Plan the future and do not fear it. Do what you can do; leave alone what you cannot do. Do not postpone what you can do now. Do it. You cannot know how the future will come out; the opportunity to act now may be the best you have.

In the book "The Alchemist" by Paulo Coelho, the Alchemist says, "If a person is living out his destiny, he knows everything he needs to know. There is only one thing that makes a dream impossible to achieve: the fear of failure."

Face the future with courage even if there is a possibility of failure.

Self-confidence: you definitely need it

You are as great as any other great man/woman. Do not envy anyone. Just because someone appears to have more money, influence or power does not mean they are better than you. And just because you have a certain shortfall does not mean you cannot be great. Everyone has shortfalls. You are capable of being at any level just like everyone else. However, that depends on where your mind places you. Tell your mind that you are great and are among the very best. Once you nurture that mindset you are well positioned to march towards greatness. You have to constantly fight off the doubts you have in yourself. Keep telling yourself that you are capable and that you can achieve your goals. Do not accommodate doubts. Remember that everyone was once a baby. Keep reminding yourself that every great man or woman was once a baby. If they managed to become the great people that they are, why should you not?

Wallace D. Wattles in his book "The Science of Getting Rich" has this to say about the importance of maintaining a strong belief in your goal: "Doubt or unbelief is as certain to start a movement away from you as faith and purpose are to start one toward you."

Keep the faith alive, it is really what holds you together.

Imagination, it is where things start

Put your mind to work. Success is hard work both in the mind and implementation. It usually starts in the mind. When you see a problem, think of the many ways you might solve it. It is a path to creativity. When ideas come to mind, write them down. Ideas tend to disappear if left in the mind. Writing down can help to expand the idea and clarify it.

Napoleon Hill in his book "Laws Of Success" has this to say on the importance of imagination: "You will never know what is your capacity for achievement until you learn how to mix your efforts with imagination."

Once an idea that you agree with comes to your mind, act on it. Wasting time will make a good idea fade into oblivion. As soon as an idea comes into the mind, new ideas countering it will come as well. Sometimes ideas that appear even better will come just to push the original idea away. At other times it is the doubts that chase away the brilliant idea. In the end you will have multitude of ideas that create confusion. So act when your mind is still clearer, when the other ideas come, use them to refine the original idea which you have already established on the ground.

Greatness attracts greatness

Opportunities and great people are attracted to great things. In order to be attractive you must prove your propensity for greatness. To be great you must develop and grow yourself. Keep educating yourself in skills that you have identified as relevant to you. Your goal is to establish yourself as the expert in what you do. To achieve and maintain that level you must make learning a never ending process in your life. To get what you want you do not go about begging for it. What you do is to work hard to make yourself relevant and attractive enough. As you become relevant, opportunities and people of substance

become attracted to you. Do not chase anyone in the hope of catching up with success. The only key to success lies in yourself. You have what it takes to be a great achiever. Work hard on building up your own skills and take advantage of every opportunity that comes your way.

In a nutshell, we all desire to be great achievers, we would love to be the kind of people who make an impact in our society. Regardless of circumstances in which we find ourselves, each one of us can achieve aspirations of

greatness given a certain degree of determination and commitment. Understanding ourselves, knowing who we really are, is where to start. Acting upon our plans with an unwavering determination is simply non-negotiable. As we pursue our quest, it is important to refuse being dragged in the past, we must face the future with courage and believe unwaveringly in our ability to achieve our goals. Equally essential are imagination, creativity and continuous self-improvement.



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BECOME THAT GREAT LEADER

Lunnia Lada

As the saying goes, a good leader is a good reader. But not all readers are Leaders. Well if you ask say 50 people "what is leadership?" You will probably get 50 different answers. One of the definitions states that Leadership is the art of motivating a group of people to act towards achieving a common goal.

Anyone can sit in a corner office and delegate tasks, but there is more to effective leadership than that. Effective leaders have major impacts on not only the team members they manage, but also their company as a whole. Employees who work under great leaders tend to be happier, more productive and more connected to their organization. This has a ripple effect that reaches the business's bottom line

Many leadership qualities have been observed throughout history. Some were adopted by tyrannical leaders while others were exhibited by great leaders

But, what makes a good leader great?

A great leader takes the lead. He encourages the team to perform to its optimum all the time and drives organizational success.

VISION

Great leaders have vision - one that allows them to plan their moves strategically to reach their goals. They focus on the future while maintaining a positive attitude. They are concerned with opportunities of tomorrow rather than the problems of the past. Leadership involves creating and articulating a vision and inspiring others to want to work toward that vision

COURAGE

Tom Krause once said, "courage is the discovery that you may not win and trying when you know you can lose." Having courage as a leader means you are willing to take risks in order to achieve your goals. While many people can dream big, only leaders and risk takers understand that taking a risk and failing is still more productive than not taking a risk at all

HUMILITY

Being a great leader means raising your team

up to succeed. This means admitting when someone knows more than you and giving them the opportunity to take initiative.

One that is able to impart knowledge and bring out the best in the people they are leading



LISTENING SKILLS

Good leaders are good listeners. They really take their time to listen. They know that you learn a lot in listening. In the book '7 Habits of Highly effective people' Stephen Covey writes on Habit number 5 "seek first to understand than to be understood." He highlights that communication is the most important skill in life. Great leaders must be effective communicators. Most people listen with the intent to reply in the front of their mind. But true leaders know that in order to emphasize and connect with others you have to first understand them, and that understanding comes from good listening

DELEGATION

According to John C. Maxwell, author of *Developing the Leaders Around You*, "if you want to do a few small things right, do them yourself. If you want to do great things and make a big impact, learn to delegate."

Delegating helps leaders maximize their resources, ensuring that they are focusing on their highest priorities, developing their team members, and creating a culture where delegation is not just expected, its embedded in the culture.

LOVE

A great leader leads with love. Leaders who care about their team members and show it, achieve high employee engagement and business outcomes. One skill that differentiates leadership from many other competencies is the ability to teach and mentor. Effectively teaching colleagues or direct reports to grow in their careers helps organizations scale. Often, this skill requires that leaders think less about themselves and more about how to make their team as a whole successful.



TRANSPARENCY

Being transparent helps a leader build up trust in his team. Learn to communicate as a leader, be it your failures or your success. The best leaders know this as they use it to their advantage. Authenticity and vulnerability are the fastest ways to earn trust.

INTEGRITY

The quality of being honest and having unshakable moral principles, situated at the intersection of consistent actions and strong values. In other words, it is a quality of people who do the right thing at all times, even when no one is looking, and especially when it is difficult to do so. A good leader should be able to say it as it is. Integrity is paramount to the success of an organization

Leaders who demonstrate integrity garner trust among their colleagues. They are not afraid of the truth, and they stand up for what they believe in. This, in turn, leads to loyal

customers, increased profits, and a better world for all.

CONNECTION WITH TEAM MEMBERS

Leading a group of people requires a mutual sense of trust and understanding between the leader and team members. To achieve this, leaders should learn to connect. Terry “Starbucker” St. Marie, a leadership writer and consultant, said that being a “more human” leader requires positivity, purpose, empathy, compassion, humility and love. These key traits will put you on the road to genuine connections with the members of your team.

“Building a real, personal connection with your teammates is vital to developing the shared trust necessary to build a strong culture of accountability and exceptional performance,” St. Marie said. “With that culture in place, the team can achieve a successful business, a happy team and a fulfilled leader.”

To build a connection with each of your team members, focus on getting to know their personality, interests, strengths, weaknesses, hobbies and preferences. This can give you insight into their goals and motivations.

FEEDBACK

Honest feedback – even if it is criticism – is the best way to guide your team in the right direction. You also need to know exactly where your business is headed so you can give them the right advice. If you are not direct, people will not know what you truly think about them and their work. They will never be able to improve. If you do not know the precise direction your company is headed, no matter how much you have communicated to your employees and leadership team regarding their individual performance, they will flounder when it comes to making decisions and taking actions. Once those basic principles are in place, deadlines, regular product plans, performance reviews, structure and processes can easily be put into place.

In addition to providing constructive feedback and performance reviews, highlight employee accomplishments. If a team member does something great, let them know. Celebrate their wins and thank them for their hard work.

Leadership is quite challenging. Some of the greatest challenges that face leaders include keeping calm under constant pressure, adapting to a constantly changing workplace, staying confident under pressure, admitting when you make a mistake, allowing others to criticize you, letting others take control when it is necessary, inspiring others to keep working in tough times, working even when you are tired, and so on.

Great iconic leaders



Nelson Mandela

Nelson Mandela was regarded as a great leader mainly for his wisdom and selflessness. In his own words he said: "as a leader you must be humble as humility is one of the most important qualities, when people realise that you are not a threat to them, then they will embrace you and listen to you."



Mahatma Gandhi

He was one great leader who was born an ordinary boy with a passion and determination to excel. His leadership inspired civil rights movements across the world. His main leadership qualities included resilience,

knowledge and leading by example



Winston Churchill

Part of the reason Churchill is remembered as a strong leader is because he was an effective communicator. He knew what he was talking about, he knew his audience and he made sure his audience could understand what he was saying.

Great leaders keep their employees abreast of what is going on at their organisations. Their employees are not in for any rude awakenings and they are more engaged as a result. Great leaders find balance between business foresight, performance and character they understand that they are only as strong as their team.

Conclusion

Are you a leader or you are just a boss?

Do you take time to listen to the concerns of the people you work with or you always seek to be heard first?

Are you humble enough to admit when you do not know something and let others lead?

If you look around, have your team members become disengaged or stagnant in their work?

Become that great leader.

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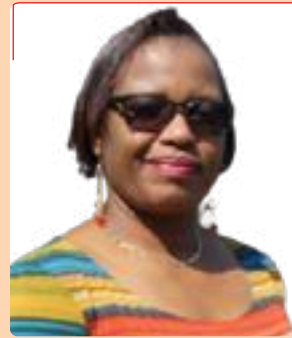
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ETHICS AT HEART: A PROFESSIONAL MINDSET

Austage Frank Gwetsera



Real-life scenario

Recalling the career progression from the early years, one story that quickly flashes from the back of my head is the infamous example of the 2001 scandal in the American energy company, Enron, where Management 'cooked' its financial statements which the company's Auditors, Arthur Andersen, signed despite being incorrect. This story is popular with many people especially those in the accounting profession. The ending was unpleasant with the company's shareholders losing billions of United States dollars after the emergence of the truth. The audit firm went out of business and over 80,000 jobs were lost. The fate was all a result of the company fooling regulators by hedging derivative risks using its own special purpose entities thereby retaining unacceptable levels of risks. It is a vivid example of a company that reached dramatic heights only to face a dizzying fall. At its peak, its shares were valued at over \$90.00 only to fall to as low as \$0.26 just prior to declaring bankruptcy. For many, it was a nightmare seeing such a prestigious company losing its value in a 'new-york minute'.

It is clear from the story how enormous the upshot of unethical accounting could be. Is it worth risking the future of the entire business just for short-term gains? That's a million-dollar question worth asking oneself when faced with a dilemma or a situation prompting one to act unethically.

What forms do ethics take?

- The Enron case is an example of unethical accounting involving intentional misrepresentation financial information to deceive users for the purpose of gaining an unfair advantage. Investors, Lenders, Regulators, and Tax authorities are among those victimized, but of

what use can financial statements be if the public and users develop distrust over corporate financial accountability?

Now-a-days, ethical issues arise from a wide array of business developments:

- Social media ethics is one form, being aggravated by the fast and widespread nature of social media. How do employees conduct themselves online? What do they post within or after work hours? What if they post confidential information or something that will damage the company's reputation? Is what they post online counted as their freedom of speech? Will Management be right or wrong if they fire or punish employees for what they post online? It is complex, but obviously, any employer would expect employees to exercise loyalty and avoid divulging information if they are not authorized. Information is an important asset for every business yet prone to abuse due to the fast pace of information technology. Employees have privilege over all other stakeholders much as insider information is concerned, but one must bear in mind that such privilege doesn't make them superior to all other stakeholders. After all, an employee is merely an agent with a fiduciary duty to protect the interests of investors and other stakeholders.
- Healthy, safety and social responsibility is another form. According to International Labour Organisation (ILO), over two million people die every year as a result of occupational accidents and work-related diseases. The question is what is the role of an organization's Management in dealing with such incidences? In one way or the other, every organization exists to achieve certain goals. Even publicly

operated institutions strive to reach some milestones. It is easy to prioritize the achievement of such goals over the welfare, health or safety of employees and other stakeholders. This is problematic especially if the health, safety and social responsibility goals and targets are not incorporated into strategy and performance measurement criteria. But what risks do organizations expose themselves to if something happens and significant claims arise? What if the organization's activities pose some threats to the society in which they operate?

- Think of an organization that realizes, after it has already sold a significant amount of its products, that the products were faulty or contain a substance that is likely to cause harm to the users. Recalling the products will result in bad publicity and likely to result in a loss of future sales. Refunds to customers who already purchased the products will lead the organization to outflows in claims. On the other hand, hiding this information and continuing with sales of the product will put people's lives at risk. Obviously, an ethical decision, in this case, would be the one that will protect the interest of the greatest number of people, though putting the organization at a financial disadvantage.
- It goes without saying that harassment and discrimination is another issues having catastrophic consequences in many organizations. It costs organizations whether directly or indirectly. Irrational decisions are being made to serve personal interests. Unfairly treating employees in favour of undeserving and unmerited ones only lead to loss of morale among team members that eventually tend to be counterproductive. If those being favoured are not good at the work, which is mostly the case, the result is ineffectiveness, in a way, costing organizations of valuable time and resources. To this day, there are beliefs that people belonging to a particular group may not be good at some types of work; age, gender, race, and religion are

some examples. This leads to a contemptuous treatment and a - failed chance to explore their capabilities.

There are various other forms of ethics worthy discussing, but we will do ourselves

a disservice if we close without talking about ethics in transactions involving finances. Unethical conduct in the procurement of goods and services - selection of preferred suppliers and service providers, payments to third parties - prioritization of whom to pay first, and claims and refunds hit organizations at different levels. It is easy to make decisions in one's favour without regard for the effects on the organization. Interestingly, the 'tone at the top' always cascades down the chain of command to the bottom-most. If the top demonstrates a lax culture, it is easy for those below to think that it is okay to behave unethically because those above them are doing the same.

Ethics and stewardship

- Being stewards, Accountants need to always remember that accurate financial reporting is key to the success of every business regardless of size. Proper application of accounting methods, having a

disciplined approach to work and instilling discipline in the use of the organization's resources play a role in building trust among various stakeholders including Shareholders, Investors, Management, Customers, Suppliers, Government and employees, all of whom have a stake in the company. Stewardship is demonstrated in a number of functions;

- One basic function of Accountants is to measure the organization's resources to enable owners to measure the success or failure of the business. If this function is not performed accurately, the information provided will not be a true reflection of the affairs of the business leading to shareholders making wrong decisions. Failure to measure the financial health of the business accurately, it is the shareholders who suffer the loss. A good example is the Enron scandal which has been briefly discussed above.
- Resource and equity protection is another function of accounting. Various stakeholders have differing interests in organizations, some of which are conflicting. Accountants need to balance the claims of the owners and outsiders on the assets and resources of the businesses. Reliable financial reporting about the resources and obligations of the business will provide a realistic view of the business' affairs and allow sound decisions to be made.
- The above two functions provide input into the third function of estimating the business' growth. As the saying goes, garbage in garbage out, the accuracy of the above two functions will determine the level of reliance to be placed on the estimates provided. Estimates are subjective and largely depend on the judgments of the group or individuals preparing the estimate. As such estimates are likely to be affected by personal bias hence the need for those preparing the estimates to be ethical. This function highlights the accountant's responsibility not only to Managers and Owners but also Investors and Regulatory agencies who have a right to look at the health of the business.
- As stewards and custodians of an organization's assets, accountants have a duty to ensure the rest of the people in the organization live to the expectation. By nature of their job, Accountants safeguard organizations against potential risks that pose threats to the organizations' value. But 'how can you remove the speck in your brother's eye when you have a beam in your own eye'? Leading by example is the way to go.

Unethical decisions – impact on businesses

- Clearly, the consequences of unethical decisions are costly to businesses. Sometimes they may be happening at a small scale but over time, the costs to the businesses are material. It is worth remembering that sometimes the impact cannot be directly quantifiable, however, it may be significant in qualitative terms. Either way, it is a cost incurred by the business. A few examples of the implications of unethical decisions are as follows;
- Legal consequences leading the businesses into possible litigations. There are rules governing how business should be conducted in most jurisdictions. If organizations fail to follow such rules, they can end up facing legal fines and penalties. Executives who engage in

The 'tone at the top' always cascades down the chain of command to the bottom-most.

unethical behaviour that lead to harmful practices on employees and other stakeholders can end up facing criminal charges. Companies spend huge sums of money on legal charges trying to defend themselves in legal battles which would otherwise be avoided by following ethical principles.

- There are also reputational issues as a result of unethical conduct. Bad publicity and negative image resulting from unethical decisions is difficult and costly to fix. Businesses end up incurring avoidable expenditure trying to maintain their corporate image following ethical scandals, when they become public knowledge. Reimaging campaigns consume valuable resources which would otherwise be put to productive use. Businesses lose their customer base following bad publicity. Although companies can recover from the bad image, it takes time and money to restore stakeholder confidence. Winning back customers who walk away due to unethical behaviour can be challenging.
- Employee performance drops due to reduced morale. Leaders who engage in unethical behaviours lose respect from their subordinates. It is difficult to have a productive team if they do not have confidence in their leader. Sometimes employees feel side-lined if they feel they are being treated unfairly and end up being counterproductive.
- Employee relationships also suffer as a result of unethical conduct. It leads to a lack of trust among employees thereby affecting coloration and team performance. One person getting an unfair advantage over others will only lead to the rest of the members of the team losing morale for their work.

Promoting an ethical culture

Lastly, it is important that we discuss how executives can promote an ethical culture in their organizations. Ethics will produce the greatest benefits if various stakeholders are on boarded. Of great significance are the employees as they are concerned with the day-to-day running of the business.

- 'Tone at the top' refers to the culture implemented and demonstrated by the top executives which cascades down the various levels of the organization.
- This is the most effective way as employees easily copy what their leaders do. It is not enough only to emphasize how management



expects others to conduct themselves while behaving differently. Management needs to lead by example. Demonstrating a high-level commitment to ethical behaviour will provide an emphasis on management's commitment to the promotion and enforcement of ethical culture in the organization.

- Fair reward and punishment for all. Recognizing members of staff for their efforts towards ethical culture will act as a tool to encourage others to follow the same. On the other hand, disciplining employees who engage in unethical conduct without favour will send a positive message to others who would be the next offenders.
- Incorporating ethical principles in the value statements of organizations and making them visible to all employees and other key stakeholders will help ensure that those concerned are kept reminded of what is expected of them. Similarly, incorporating ethical clauses and the consequences of non-compliance in contracts will ensure the enforcement of ethical principles. Policy statements should also clearly incorporate ethical expectations and what punishment they attract if employees do not comply.
- Training employees regularly will enhance their understanding of ethical issues and keep them reminded of the possible repercussions of non-compliance.
- Organizations should have clear whistle-blower policies and ensure that all employees are aware of and understand them. It must be clear how whistle-blowers will be protected against retaliation, especially where those reported on are Executives and Management. To ensure the effectiveness of whistle-blower system, the oversight role should rest with the Board, specifically through the Audit Committee where one exists.

Austage Frank Gwetsera works with Multichoice Malawi

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icam@icam.mw
student@icam.mw

China And Mercantilist Theories: Can The Chinese Renminbi Overtake The United States Dollar As A Hegemonic Currency?

Margareth Ann Chirwa
BSc (Mathematics); BSc Hons (Accounting); FCCA; CISA; CA (Mw).

The author is a Certified Public Accountant who works full time in the private sector as a Financial Manager. She is also pursuing a Masters degree in Business Administration on part time basis



Actions taken by the Chinese government suggest that it practices mercantilist ideologies. These actions include the use of exchange rate manipulation, tax subsidies and tariff barriers as well as export incentives. These activities are aimed at boosting China's industry exports while restricting imports and holding foreign competition at bay. The Chinese economy is managed on the belief that a strong and powerful nation can only be enhanced through science and technology as well as international market control.

The Chinese government has adopted Nationalism and Patriotism strategies that are synonymous with neo mercantilist policies. China is patriotic in that it advocates for promotion of 'infant industries' in its own country while advancing its influence beyond its borders. China still believes in dynasties and is still being ruled by the supreme agency up to this day. Its past leader, Chairman Mao was criticized for taking the Chinese cultural revolution to extreme ends. China has always advocated for the Chinese Dream and lobbies with other countries to adopt its acclaimed best practices such as "Open door policy" and "Chinese wall". It should however be noted that China is very strict on protectionism: although Chinese cultural practices are proudly shared with others, the country has strong restriction on its people's interaction with western culture and influence. China also practices economic nationalism by adopting specific policies advocated by nationalists such as unconditional free trade which serves the interests primarily of the most advanced economies like itself.

Protectionism's main objective is to promote the growth of domestic industries and encourage domestic consumption at the same time dissuading its citizens from foreign importations. Over the years, China has extended education grants and scholarships to foreign nationals as well as locals. Hamilton and List's mercantilist economic policy stresses that apart from direct government subsidies and tariff barriers, it is also important to have a national education strategy that would fully develop the human capital of a society. The state's role is to provide a basic infrastructure of education and promote learning in the interest of both individuals and society as a whole. The state also plays a role in providing a basic infrastructure for industry and commerce, thus helping to overcome market failures.

Mercantilism developed logically from the changes inherent in the decline of feudalism, the rise of strong national states, and the development of a world market economy. Theory suggests that

early forms of mercantilism were based on the following underlying principles:

- that the amount of wealth in the world was relatively static;
- the belief that a country's wealth could best be judged by the amount of precious metals or bullion it possessed;
- the need to encourage exports over imports as a means for obtaining a favorable balance of foreign trade that would yield such metals;
- the value of a large population as a key to self-sufficiency and state power; and
- the belief that the state should exercise a dominant role in assisting and directing the national and international economies to these ends.

Mercantilists and political realists have a common starting point centered on the state's overriding need for security within an environment of international anarchy. This assumes that there is no central authority that could guarantee world peace therefore each country has to build its own national defense. Mercantilists argue that in the pursuit of security, be it defensive or aggressive, the state seeks to maximize wealth as an essential means to power. In the same way as wealth is a necessary condition for state power, the converse is true that power is an essential means to wealth creation. Mercantilists believe that the power of the state serves the dual purpose of acquiring and securing wealth. Both wealth and power are proper ends of national policy in their own rights. But while it is possible in the long run to pursue both ends as part of a mercantilist strategy, it may be necessary in the short run to sacrifice economic wealth in the interest of the state's power and security. The international system and economy is best described as a zero-sum game, in which different economies compete with each other for a given size of economic wealth. The accumulation of gold and silver bullion, therefore, is the chief objective of most state interventions in the economy and international trade.

The Economic Nationalism Mercantilist theory is very much exemplified by the Chinese government by its holding of bullion as a way to reduce its dependency from super powers such as the United States of America and Great Britain. China has been stock piling gold, hard cash and foreign reserves accumulation for years. This validates the theory of neo mercantilism in that China's ability to accumulate economic reserves has qualified it to be a long standing member of the five emerging powerful economies acronymed BRICS (Brazil, Russia, India, China and South Africa). As a member of the BRICS, China reports her gold holding and foreign exchange accumulation to regulatory bodies like the IMF and has significant influence on international affairs. Contemporary mercantilism is the doctrine of free trade which has gained widespread support among economists and informs the contemporary international trade system. Governments such as China continue to pursue trade protection to insulate their economies and communities from the harsh climate of international competition. China maintains a favorable balance of

trade payments by creating trade surpluses through spurring exports and reducing imports. China visibly encourages Chinese business on the local front as well as internationally but it discriminates against others through exchange rate manipulation and introduction of tariff barriers. China has introduced export subsidies to its local producers at the same time ensures trade protection measures such as antidumping policies for products imported into China. China also practices technology exploitation by ensuring that it catches up with technological advances and produces low end substitutes for tech products such as phones, tvs and other electronic devices. It can be clearly seen that China has been practicing strategic global expansion. It deploys strategic expansion into Africa, South Asia and Latin American countries through economic initiatives such as One Belt One Road project and the Asian Infrastructure Investment Bank to counter American and Western influences. Ultimately, China exports labor to these strategic projects and achieves population growth control for its national development.

Broadly defined, “hegemony” is a situation in which one country is powerful enough to maintain the essential rules governing intercountry relations and global relations. To qualify as a hegemony in the international economy, a country has to be the dominant state in the economic system and an undisputed leader of an alliance that converges around it. A hegemony usually has the ability to assist with stability and leadership not only based on its economic prowess but also its military dominance. It usually has competitive advantages that outweigh its competitors, and possesses technological superiority and political control over valuable resources. From the perspective of economic history, currency hegemony is the product of superpowers. Mundell (1997) argued that whenever there has been a superpower in the world, the currency of the superpower plays a central role in the international monetary system. This holds true throughout history for the Babylonian shekel, the Persian daric, the Greek tetradrachma, the Macedonian stater, the Roman denarius, the Islamic dinar, the Italian ducat, the Spanish doubloon and the French livre, the British pounds sterling and recently the United States dollar. The superpower typically has a veto over the international monetary system and it benefits from the international use of its currency.

China has devised affirmative actions to



displace the dollar hegemony by providing foreign aid/debt to developing countries and expanding trade which will be settled in currency other than USD. If these alternatives gain significant international traction, they would create a successful push back against US dollar hegemony. The Hegemonic Stability Theory contends that a stable liberal economic world order needs a hegemony because countries can only cooperate economically with one another when a hegemonic power calls the shots, economically or militarily. It is not clear at this point whether China will be able to call the shots and hold the right of first refusal over USA. In recent years the US dollar hegemony has been seen to be stable primarily because of the USA's financial centrality and ability to secure investments. China started “de-dollarizing” its economy by cutting back the proportion of their bilateral trade invoiced in dollars, preferring settlement in its own currency. However, measures such as de-dollarization, renminbi digitalization, alternative financial settlement and messaging systems, are unlikely to kick the US dollar hegemony to the curb any time soon.

Although China started to boost the renminbi's role as an international currency for payments and reserves, it is yet to gain significant mileage. In order to encourage wider adoption of its currency, China gave a number of countries renminbi access through bilateral swap agreements. China also scaled back its USD holdings, and channeled its country's cash into renminbi holdings. China aggressively ramped up its digital currency drive with the aim of making it easier for financial institutions and tourists to hold renminbi reserves. However, global US dollar dependence provides the USA with a powerful position which cannot be easily defeated. The USA is able to stifle competition by imposing secondary financial sanctions on countries dealing with its competitors. The latest USA sanctions

and punitive financial measures against Russia to condemn the invasion of Ukraine, reaffirms the US dollar's position as a hegemony. The fact that USD transactions are either cleared through the Federal Reserve or through US financial institutions means that foreign countries depend on USA financial infrastructure and platforms when settling transactions. Because of its extraterritorial reach, America's ability to turn off the tap on foreign countries' access to US dollar facilities inflicts significant costs, causes financial distress and logistical bottlenecks on those countries who evade compliance with USA sanctions. With significant US dollar holdings in its reserves, China is particularly vulnerable to dollar deterrence. If China cannot access dollars, this could jeopardize its One Belt One Road initiative, which is a cornerstone of Beijing's global ambitions, therefore a stumbling block for China to aggressively push back against the US dollar hegemony. The last of China's efforts to displace the US dollar hegemony aims to create parallel structures for payments and messaging systems that would allow other countries to use home and allied currencies instead of US dollars or euros when settling trade and investment deals. While these efforts could undermine the US dollar's long-term primacy, it is apparent that the Chinese renminbi has only made small dents in a robust, well established and financially stable structure. The theory of hegemonic stability argues that a free international economy requires a hegemony committed to liberal economic principles of free market and openness such that the prerequisites for the emergence and expansion of the liberal market system within the international economy are of common interests. The dollar hegemony is considered to be a necessary condition for the establishment of a liberal international economy because it holds several systems together on account of its stabilizer role. Unfortunately China has not been able to

prop up its currency as a global stabilizer to the same level as the American dollar or the British pound as well as the Euro. An end to the US dollar primacy as a financial hub could mean an end to USA macroeconomic perks. A declining role for the dollar could also undermine the USA's ability to threaten or deny foreigners access to dollar clearing and settlement. It is unlikely that the USA would accept to lose its grip on the international economy. It is also most unlikely that China's efforts in displacing the US dollar will be successful because the rivalry between China and other countries to become super powers stand in the way of its readiness to promote the renminbi.

It is evident that there are spillovers of the USA monetary policy to other countries through asset markets and credit facilities offered to sovereign states. US dollar dominance in banking and the dollarization of cross border trade settlements imply that US monetary policy impulses get transmitted beyond USA borders into international financial markets, thereby creating a global financial cycle that is dependent on the dollar. Countries such as Republic of South Africa



Shanghai Tower in Shanghai, China - Pic credit Wikipedia

and Republic of Malawi who have US dollar denominated borrowings from the International Monetary Fund will certainly be affected if the US dollar lost its grip, value and status as a hegemon. US Dollar debt issuance by international lenders in the corporate sector and US dollar funding for local banks make it more likely than not that the domestic banks will continue to rely on the dollar. The ensnaring effects of the US dollar hegemony and dollar deterrence are real concerns for countries as well as corporates in nations who interact with the USA. The hegemon country stabilizes the global system by supporting free trade and

open capital markets, coordinating international monetary policies, and acting as a lender of last resort providing much needed international liquidity in times of crisis.

The hegemonic currency issued by the center country plays a critical role for each of these different functions; since at least 1945, that currency has been the US dollar.

It follows therefore that the dollar is the currency of choice for trade invoicing, international security issuance, or cross-border banking and establishment of financing facilities. Over the last half century, this has greatly helped promote an open global environment for international trade and financial transactions, facilitating international trade and exchange. Because of its prominence in international trade and financial transactions, the US dollar is the main currency of intervention for central banks, as well as the currency in which they accumulate the largest share of their official reserves including gold. Gold and other major forex earning commodities are largely traded and quoted in US dollars on the international market, therefore any slippage on the US dollar has a cascading effect on other countries' economies which are pegged to the gold rate or US dollar rate. The US dollar is viewed as the safest currency; it is a key determinant of private investors' demand for stores of value. It has been noted that in times of financial crisis, international markets freeze and the demand for US dollar safe assets spikes. It has been demonstrated that in most African countries including Malawi, the prevention of a full market collapse is dependent on availability of US dollar liquidity. This can be done either through direct injection to central banks and/or the subsidiaries of global banks via discount or repo windows, or indirectly via central bank swap lines and/or government borrowings. The dominance of the US dollar and its availability on the market matters for the transmission of various shocks to local economies. A movement of the US dollar has a repo effect on other currencies which fail to have the same stabilizer effect as the dollar. The Bretton Woods system



One World Trade Centre in New York, USA - Pic credit Construction Review

attempted to deal with the dilemma of the US dollar hegemony by fixing/locking the value of the dollar through the maintenance of the dollar price of gold. However, it was noted that the appreciation of the US dollar has limited effects on USA inflation, but it raises foreign import prices and consumer price inflation in dependent countries. Foreign central banks aiming to stabilize inflation in their respective countries are then left with no option but to raise their own policy rates hence, a contractionary monetary impulse in the USA triggers a corresponding contraction globally thereby decreasing international trade. Whether the Chinese renminbi can have the same domino effect to the rest of the world's currencies is yet to be seen but is highly unlikely.

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ESTABLISHING AN EFFECTIVE GOVERNANCE IN AN NGO



Mariam Kamoto expounds the tenets and processes by which organisations should be directed, controlled and held to account

It is advisable for NGOs to follow good governance practices because every institution needs governance to function. NGOs also need good governance for effective functioning and sustainability.

The following are good governance principles which an NGO can use:

1) Vision, mission and objectives (VMO)

- An NGO must have well defined statements of its mission, vision and objectives and this defines how the NGO started in the first place.
- They must be clearly defined and clearly written and be revised from time to time.

2) Democratic Selection

- The NGO must have clearly defined and transparent policies in appointing the board of directors.
- The directors must be selected by a democratic process. This will ensure transparency, fairness and accountability in the process.



3) Policies and Processes for accountability of leadership

- The NGO must ensure that accountability of the board is well defined in the policies.
- The policies should be operational, therefore the NGO should ensure that functional systems are in place.
- The board must function to address organizational

matters and they should play an active role in planning.

4) AGMs

- The annual general meetings are very important to bring all the stakeholders together to discuss the journey so far and plan the way ahead.
- Various important issues like programmatic, administrative and financial are discussed.
- AGMs are successful, when there is adequate participation and are done frequently.

5) Decision making systems

- The NGO must define who makes decisions.
- Roles and responsibilities of the board and management should be well defined and clearly drafted.

6) Policies for staff

- Policies and procedures must be laid down for equitable and transparent staff recruitment and compensation, employee retention and HR policies.

7) Audit

- An NGO must ensure that regular audits are done.
 - This is due to scrutiny by regulatory bodies and whistleblowers
 - The audits can include programme audit, financial audit etc.

8) Annual reports, newsletters and websites

- An NGO must ensure that all its stakeholders are much aware of the organizational plans, activities history and achievements.
- It must also disclose financial information, board details in the annual reports, newsletter and on websites as well.

9) A Strategic Plan

- An NGO should have an action plan derived from the vision, mission and objectives of the organisation.
- The mission and vision statements hold a lot in them, all the dreams in which the organisation had started. Therefore this should be articulated in an actionable plan as it is too broad.
- Thus churning of ideas and thoughts and detailed analysis resulting into a strategic plan is of utmost importance to ensure good governance.



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THE ROLE OF THE COMESA COMPETITION COMMISSION IN PROMOTING TRADE AND DEVELOPMENT IN EASTERN AND SOUTHERN AFRICA

Lozindaba Mbvundula, *LLM (International Trade Law) (LLB (Hons))*

The Common Market for East and Southern Africa (COMESA) is the largest regional economic community in Africa. It has a free trade area comprised of 21 member states and a population of about 586 million. In 2009, COMESA launched a customs union. COMESA aims at promoting regional integration through trade and the development of natural and human resources for the mutual benefit of all people in the region. To aid in the achievement of its objectives, COMESA has established various institutions such as the Eastern and Southern African Trade and Development Bank, the COMESA Regional Investment Agency and the COMESA Competition Commission (CCC), among others. This article focuses on the role of the CCC in furthering the objectives of COMESA.

The CCC was established under Article 6 of the COMESA Competition Regulations promulgated in 2004. This regional competition law was enacted to ensure fair competition and transparency among economic enterprises in the COMESA region and to harmonise national

competition policies thereby creating a uniform regional economic environment. CCC was set up with the mandate of enforcing the provisions of the Regulations in relation to trade between Member States and to promote fair competition within COMESA by monitoring and investigating anti-competitive practices of undertakings in the region. CCC is also mandated to mediate disputes between Member States concerning anti-competitive conduct.

CCC became operational in January 2013. It is based in Lilongwe, Malawi. It regulates trading activities that have or are likely to have a cross-border impact. CCC reduces the need for cross-border transactions to be assessed within each member state, thereby bringing more efficiency and cost-effectiveness to the conduct of business in COMESA. CCC is recognised as a legal person in each of the COMESA states, thereby facilitating the seamless discharge of its functions in all states. It has power to investigate cases in any member state, as long as the

economic activities concerned have a cross-border impact, thereby satisfying the jurisdictional requirement. CCC adjudicates on issues to do with restrictive business practices and assesses possible mergers to be effected within the region to determine whether they are not anti-competitive. CCC also plays an advocacy role in handling complaints about anti-competitive and other unfair business practices. CCC also works hand in hand with



national competition authorities in providing training and disseminating information about competition law and regional integration. For example, in April 2022, CCC hosted a Competition Law conference in Livingstone, Zambia. In September 2022, CCC also co-hosted a competition law training and conference in Salima, Malawi, alongside the Centre for Competition, Regulation and Economic Development. Thus, CCC cooperates significantly with national competition authorities and other stakeholders, including academic and research institutions.

In light of the foregoing, it is clear that the work of CCC in promoting fair competition, thereby significantly contributing to trade and investment in the COMESA region, must be applauded. CCC regulates a critical element of economic activities and helps ensure that there is harmony in the economic environment of the member states.



CCC is situated in Kang'ombe House in Lilongwe, Malawi

THE FUTURE IS NOW OR NEVER

By Tione Chirwa

Honourable Ladies and Gentlemen of the House of Accountants today our beloved country is on the crossroads, to choose a future or death, its on the crossroads to make the right decision to control its future, for us today and more for the future generations or continue facing a backlash of total darkness, the darkness that we thought was extinct but never knew it just changed its form. A darkness camouflaged with ululation on the day of our independence in 1964, our democracy 1994 and every voting day. A darkness controlling our steps, our decisions, our soils, our waters, our financials, even our airs.

For this darkness to depart we have to make structural adjustments hence controlling our destiny.

Deuteronomy 17 v15 says *Be sure to appoint over you a king the LORD your God chooses. He must be from your fellow Israelites. Do not place a foreigner over you, one who is not an Israelite.*

Honorable ladies and Gentlemen of the house of chartered accountants and those of the lower house, an argument was raised in my head - The future of the nation Malawi is now or never.

This argument is a debatable hence anyone is free to comment through the email provided below. For Many years and for other reasons I have preferred to seek and be a humble and more determined scholar of the Most High God, His Majesty, The ruler of heavens and earth and the underworld. He who gives enormous amounts of wisdom to man born from fresh. Thus, a type of scholar I prefer to be. Than to be a scholar from an honorable school of accounting, economics, law, medicine, engineering just to mention a few. This is my choice, anyone has his own choice, just like a person, countries makes their own choices on what they want to be.

Countries made choices I mean decisions, whether to be in democracy or dictatorship, whether to be free or live in bondage, to be a ruler of others or to be ruled, to be a sovereign state yet fully controlled by other nations or a no nonsense sovereign state. A choice to be a super power with its own military or be a super power that has a bilateral security pact for example Japan US pact, where Japan hosts about 50,000 U.S. troops.

A choice to be economically free or continue living in deep poverty, a choice to be happy when everyone calls you poor. Happy when you have become a reference point in the mouth of IMF and other international organizations. Happy when you have become a head boy in the house of poorest countries in the world. Although some may see you as a laughing stock but still more you are happy. Happy when you have everything it can make you free from poverty yet you choose the contrary.

Ladies and Gentlemen the future for Malawi is now or never because its now when we are busy discovering so many mineral resources (precious stones). Its now because our

status as a nation is shameful and needs action. Now when many are tired of poverty, corruptions, joblessness, healthy problems, poor infrastructure development and the status quo.

However, the future is never when we keep on talking yet doing nothing. Never, when our discoveries in precious minerals leads not only to increase in poverty, but also continuing degradation of natural resources without real profit hence losing completely the battle against poverty. At the sometime improving the economies of economical colonials hence piling decades of insults on this country and its people. Never when our only action is planning to dig and continue digging the country grave for it to die extremely fast than we thought. Never when we allow the plunder to continue, the partition of the country's resources (natural, financial and human resources) to continue.

When you look seriously on the invasion of the country's resources you realize we are a sorry state. Hearing how much the country has lost due to externalization of funds whether by foreigners or its own citizens who think like foreigners , cash gate, Satter gate, Tractor gate, Maize gates (from 1994 to 2022), Fertilizer gate (which is a very serious rumor, what about anything that we don't know that was carried out very smart), putrefying and poor construction of infrastructures, all mining short falls- loss due to collection of samples and illegal mining (sad ,perpetrated by foreigners) , tax evasions, forex loss due to unstructured markets of commodities and anything you may think of.

Ladies and Gentlemen of the house of Accountants and those of the lower house I believe now it's a time when the country can make a tough decision and take that action for it to move out of its shadows of death. I believe now it's the time when our discoveries of mineral resources I mean precious and rare stones should result us having full control of the proceeds. I believe this will be only way we can move out of the poverty lines very fast and return the gains from our inheritance I mean our land.

The verse above says *Do not place a foreigner over you, one who is not a Malawian. Let's stop placing foreigners over our land, our resources, our financials and our today and future for us to turn around the tables for our people.*

It has been reported in Balaka that we have an estimated 100 million metric tonnes of monazite mineral and an Australian mining firm is expected to start exploration, with an investment of around US\$200 million. The simply means this Australian company will do the exploration, the extraction and process everything for profit, if we dig deep you will see all the value addition will be done outside the country, 80% of proceeds we will be kept outside the country. This country will be forgotten as the source of the mineral. This also simply means our life line has been given in the control of foreigners, our country needs forex but we will end up getting nothing tangible from this, we continue borrowing and singing the usual songs GDP , the balance of payments , we don't

have forex for fuel, no medicine in hospitals . Why are we giving the bucket of maize flour in the hands of a visitor or neighbor and when you need to cook you have to ask for flour? Why don't we have the full bucket ourselves, if we feel we need others why not a half bucket? Are we saying we cannot manage to raise the amount for this type of investment ourselves and any other amount for value addition? So that when the minerals are depleted we will be able to point at what we have achieved , thus through direct revenue and indirect revenue (taxes). These foreigners will always come with sweet stories in the name of Corporate Social Responsibility, a simple question did people of Karonga received their promised magnificent secondary school and a hospital? If taxes how much have we collected from the Karonga mines If not why are falling on the same trap?

Ladies and Gentlemen our hard decision start by not fearing how much is should be invested, but also asking how much will be realized from such projects (monetary and non-monetary), from my little research from 100 million metric tonnes the expected revenue is within the ranges of US\$ 50 to 160 Billion. From these figures add estimated revenues from rutile and other minerals. Then you will see that if we can play this game well the battle against poverty will be won.

Honourable Ladies and Gentlemen of the Upper and lower house of Accountants, my greatest fear is not that we are lacking resources not at all, but the will power to make tough decisions. It was a tough decision that made China where it is today, tough decision that made Singapore to be where it is today. my fear is the pace at which everything is going on, how every battle is being lost, the fear is those who are trusted to make tough decisions are giving it all to foreigners, our blood is being sold, our pride is being lost at faster rate. Yes, we need Foreign Direct Investment but we also need to stamp authority in everything we are doing, because if we fail today we will have nothing for us to build and keep this country afloat. Someone might say are you disregarding the importance and need of Foreign Direct Investments? Can you do it alone? My answer is simple nowhere have I shown that. If China and India who are some of the largest recipients of Foreign Direct Investments, have controls, why not us? We need Foreign Direct Investments, we need Foreign Portfolio Investment to help us catapult our economy but we also need Foreign Investment Laws which does not always smiles at everything. We need investors, I mean FDI (or FPI) that can come to invest as joint ventures with our Local companies in agricultural sectors, manufacturing industries, mining, Tourism to mention a few, those that are willing to transfer technology and Expertise to our local firms, we should also remember that most of FDI are good at negotiating tax incentives even tax breaks, which our local start up do not usually enjoy. Therefore, we need to play it safe that we don't lose it all.



Ladies and Gentleman sometimes I find it hard, how good dreams are killed without proper support, some dreams needs financial help, some need technical support, some need advisory support, but we let all of them to die in the same way. I believe government can help to identify projects or companies that needs foreign technological transfer and expertise and whatever it can do to see that those companies get necessary help, let them do it. I believe it's not just the role of the government to collect taxes from these small companies, not just the role of the government agents to close these small cooking oil manufacturing companies, its not the roles of the agents penalize and ban these local peanut butter producing companies but rather to take all necessarily and deliberate steps to ensure such companies get necessary help , skills and expertise to grow to compete with the foreign goods and services. A good breed of cow which is well taken care of, well fed, given enough water, is expected to produce high quality and quantities of milk. Why should I kill my child with thirsty because I want to be seen good by my neighbors? In 2017 to 2018 I was helping a certain start up to apply for funding, it was a small juice

manufacturing company which was less than 2 years into the business, this company was in production of 100% fruit juices. Looking at the company's plans it had a good future hence it was very good to be supported as it could have reduced a certain importation percentage of fruit juices and also support local farmers. We took their case to a certain Local and big organization (formulated for such projects), our transaction was a great

disappointment. After our presentation the officers kept on dragging without answers, no initiative to visit the place of production thus regardless seeing the samples, no response when followed up, I believe they took us as time wasters. Such has been a case of many local entrepreneurs, unless we change this mind set never will our local industries show full potential. Do we need to promote our local furniture (sofa producers (buy Malawi campaign)? why not invest in their skills, materials and technologies in order for them to make comfortable neat and well-knit designed sofas? Then put deliberate policies to protect such industries.

In conclusion, there is verse which says there will always poor people among you, but a way out to help the poor was provided, but how many times this way out is used these days, how many times do we hear of debt reliefs, how many times to we go for negotiation of new credit facilities. Let's remember once the lender chooses to closes her taps this nation will suffer terribly. I believe let's stop of just focusing on the fruits but we do everything it takes to boost the roots and the plant for tomorrows sake.

Thank you or reading this speech and may God bless you and bless our nation the warm heart of Africa – Malawi.

For feedback write: tione.chirwa@gmail.com

A Profession Called to Account

by Stanley Onjezani Kenani FCCA CIA

Perhaps the most disheartening thing to do these days is reading the news. Nearly every newspaper you read has a story about corruption or theft; either huge amounts of money have been looted from public coffers or medicines in hospitals have been stolen by low-level thieves. The future of our nation is bleak. Our national debt is racing towards 75 per cent of the Gross Domestic Product (GDP), all of which was borrowed for consumption, with nothing tangible that could be pointed at as built with the borrowed money. We have no railway to speak of, our roads remain few and narrow, and our maritime transport is on its deathbed. Our airports can hardly compete with any in the region. In fact, domestic airports of provincial capitals in some war-torn countries that have known no peace in the last 35 years are much better than our international airports. Public hospitals are mostly ruins, some of them built during colonial times and hardly ever rehabilitated, to say nothing of the fact that they lack basic equipment and medicines. Thousands of teachers and nurses graduate every year, only a few hundreds of whom are absorbed in the national work force. At the rate we are going, one day everything will collapse; the currency will collapse, inflation will run into five digits, jobs will be scarce and the cost of living, already high as we speak, will shoot through the roof.



Where is the accountant in all this?

During my years at the University of Malawi's Polytechnic campus, one thing that was repeatedly stressed was integrity. An accountant must be a person of integrity. Auditing by A.H. Millichamp even warns us not to accept gifts of a certain value. Specifically, Millichamp writes, "A bottle of wine could be acceptable, but a weekend in Paris is certainly too much to accept without compromising your integrity."

What does integrity mean? The dictionary says "the quality of being honest and having strong moral principles." Integrity is an important fundamental element of the accounting profession. Accountants need to be honest, candid and forthright with financial information. Are we honest? Do we have strong moral principles? Do we care at all about our nation? Do we want it to grow? Do we want it to stop relying on money begged from European and North American capitals, as well as China and Japan? Do we want our nation's trade to expand and its debt to fall? Do we want it to have multiple industries? Do we still want to export cotton and coffee and tea and tobacco raw? Do we want us to mark our success not because we balanced our budget as a nation but because we succeeded in begging a wealthy country to throw crumbs at us from its high table? Do we want to be a weak nation that everyone laughs at? Don't we care at all when we see Zambians and Mozambicans and Tanzanians cruising past us into the new millennium while we remain stuck in the nineteenth century? Do we want to be importing toothpicks from China until the Second Coming? Do we at all care? Not much of the corruption could have been possible if

accountants had decided to maintain their integrity. Only very rarely have we seen some accountants refuse to be part of corruption. Ms. Betty Mahuka, former Director of Finance at the Electricity Supply Commission of Malawi (ESCOM), comes to mind. In 2016, she opted to resign rather than be forced to pay for goods ESCOM did not need. Sadly, such examples are few and far between. The rest have been sucked into what I will call the new national psyche.

What is this new national psyche I am talking about?

We love big glittering cars. We want to amass houses quickly. We want to be seen as wealthy. Why? Because that yields a lot of respect. People pave way for anybody seen as hugely successful to pass. All that is good, if you amass that wealth in an honest manner. There is nothing wrong with being successful – in fact, we must all strive to be successful. The problem, however, is that in the last 30 years we have abandoned hard work to get rich through thieving. We want to create briefcase companies that must skin the government coffers alive so we can get rich. We want to supply to the government at ten times the actual price of the commodity, so we can buy ourselves a glittering Mercedes Benz. Whole professions have been compromised along the way. Accountants, lawyers, some judges on the benches of both the High Court and the Supreme Court have all been caught up in the mix.

That is the national psyche. It is a dangerous psyche, because what this means is that our country cannot develop. Half-baked roads are being built because half the money is stolen before the work has even begun.

Children are, in some parts of the country, still learning under the trees. After we have stolen so much, we gather in our private bars to point fingers at the government as we sip expensive wines imported from France or South Africa, while we ourselves have looted its coffers to enrich ourselves.

As accountants, we need to help steer the country in the right direction. We must start with cleaning up our own profession. If looting of a public entity took place, where was the accountant? And what can be done to hold the accountant accountable? What did they do to stop the rot?



Isn't it embarrassing that perhaps accountants from the entire office of the Accountant-General have been arrested to answer charges of defrauding the government? Isn't it embarrassing that accountants in government approved the release of \$750,000 to a bogus company in the United Kingdom, in the fertilizer scam?

It is encouraging to note that recently, the Institute of Chartered Accountants in Malawi (ICAM) cracked the whip and disciplined a few firms and individuals. The penalties were, of course, a slap with a feather, but what matters was that the first step was taken. For firms, it's not the small fine they were made to pay that matters, it's the damage to their reputation. Nonetheless, ICAM would do well to take a hard look at the fines and penalties. To win public trust, the punishment needs to be fitting.

Perhaps it will be said: We can't just jump onto issues, we've got to be moved. Someone has got to bring it to ICAM's attention that an accountant has been involved in mischief. But when a house is burning, the last thing you want to do is read the firefighting manual, you just take whatever water is near you and pour onto the fire. We need to think outside the box. We need to restore pride in the profession. If massive corruption scandals have taken place, we need to proactively find out what the role of the accountant has been.

We must never take for granted the trust the public has in us, when it relies on audited accounts. The public does so because it believes we are honest people who just want to do good. Yet examples are plenty when, even globally, the reputation of accountants has taken a knock. Take the Enron scandal, for example. For years, Enron's executives – by the use of accounting loopholes, special purpose entities, and poor financial reporting – were able to hide billions of dollars in debt from failed deals and projects. But every falsehood has its expiry day. Enron shareholders filed a \$40 billion lawsuit after the company's stock price, which achieved a high of US\$90.75 per share in mid-2000, plummeted to less than \$1 by the end of November 2001, triggering the collapse of Enron. Arthur Andersen, at the time the biggest firm in what was then known as the Big Five (the others being Deloitte, KPMG, Ernst and Young, and Price Waterhouse

Coopers), collapsed along with it. Its employees fought hard all the way to the Supreme Court in the United States, and eventually eked out a win, but it was pyrrhic victory, the damage had already been done.

Likewise, on December 10, 2008, Bernard Madoff's sons Mark and Andrew told authorities that their father had confessed to them that the asset management unit of his firm was a massive Ponzi scheme, and quoted him as saying that it was "one big lie". The following day, agents from the Federal Bureau of Investigation arrested Madoff and charged him with one count of securities fraud. The U.S. Securities and Exchange Commission (SEC) had previously conducted multiple investigations into his business practices but had not uncovered the massive fraud. On March 12, 2009, Madoff pleaded guilty to 11 federal felonies and admitted to turning his wealth management business into a massive Ponzi scheme of \$65 billion. On July 10, 2009, Madoff's accountant David Friehling was charged with securities fraud, aiding and abetting investment adviser fraud, and four counts of filing false audit reports with the SEC. On November 3, 2009, he pleaded guilty to the charges against him. He admitted to simply rubber-stamping Madoff's filings with the SEC.

As can be seen, accountants were, in one way or another, held accountable for their actions in the fraud that occurred. Arthur Andersen collapsed and is no longer one of the biggest accounting firms in the world, while David Friehling was arrested and taken to court. The Enron scandal, in particular, triggered the creation of the Sarbanes-Oxley Act which increased the oversight role of boards of directors and the independence of the outside auditors who review the accuracy of corporate financial statements, in addition to stiffening penalties for fraudulent financial activities.

If, therefore, the reason accountants or accounting firms found guilty are slapped on the wrist is lack of legislation for stiffer punishment, why can't ICAM lobby one or two Members of Parliament to include legislation that includes tough penalties?

Our country always wishes to attract foreign direct investment, but no investors will come if they see that there is no culture of respecting internal controls. We

must do all we can to ensure that our reputation as a country is not irreparably damaged.

Elsewhere, some private companies develop a code of ethics or conduct for accountants. These ethics and conduct rules ensure all accountants act in a consistent manner. Can't we do the same? Can't we help public sector entities have codes of ethics for their accountants? We know that ultimately it comes down to the accountant himself or herself to either take the code seriously or to ignore it and plunge into the underworld of thieving, but at least that will not be because there was lack of a reminder about ethics.

Another approach could be to make the accountants sign an oath promising that they will never steal the organization's money or participate in any fraudulent activities. Some employers I have worked for have made me sign an oath of secrecy, for example, and something similar, focusing on fraud and theft deterrence, could be devised to inculcate a culture of awareness among accountants.

My wish is that ICAM should start viewing the corruption and thieving as a national crisis, and should step forward to respond in a way that demonstrates that a crisis is being tackled. Yes, this problem is multifaceted, because at the other end of the spectrum there are lawyers and judges who play their part in laundering the proceeds of crime through dubious rulings, but at least we can do our part to demonstrate that we take this crisis seriously. Lawyers, too, through the Malawi Law Society (MLS), especially under its current pragmatic leadership, are doing their best to discipline errant members, and to reign in the hydra-headed creature of corruption. Currently, they are trying hard to ensure that even judges must be disciplined if they are not doing their job. The Society is doing well in this regard and must be applauded. Their actions must also spur us into the more proactive mode to play our part in taming the beast of corruption.

One may argue that actions by ICAM and MLS may not be enough, especially since much corruption happens because of abuse of political power by some elected officials. In my view, some elected officials act with impunity because they are aided by unethical professionals. If accountants and lawyers were to firmly reject any corrupt activities initiated by elected officials, the elected officials would back off. They could probably sack some people, but even the new ones brought in to replace them – if they are true members of these professional bodies – would equally reject being used.

Not only that, ICAM should also work with universities to ensure that there is a specific course on ethics. We should no longer rely on occasional mentions of integrity in accounting textbooks, we now need to have an entire course.

A few years ago, my niece, then studying at Chancellor College, told me something I found frightening. "I have heard some students say they can't wait to graduate so they can get rich quickly," she wrote me. "They say they want to become civil servants to become rich." This was entirely different from the mentality some of us had when graduating. I completed college at the time when

it was becoming increasingly evident that there was corruption in the Bakili Muluzi administration. As my friend Dr. Matthews Mtumbuka and others would probably testify, I even put it in writing at the time that our resolve should be to fight corruption whatever it takes, as I was absolutely disgusted that the vice was gobbling up whatever little resources we had as a nation, at the expense of the poor.

What my niece told me got me thinking. If minds are getting corrupted while so young, can we hope for a brighter future as a nation? Can we expect them to be hardworking and honest and deeply caring about their country? Can they love their country enough so as not to steal from it? What can we do to instill a hardworking spirit? What can we do to make them realize that it is OK to drive a very small, cheap car if that is all you could afford with honestly acquired money? What can we do to make them understand that it is fine to walk or go about on a bicycle if you cannot afford to buy a car?



Pic credit: www.lowvelder.co.za

A few young graduates were, last year, employed at the tollgate in Ntcheu. Within months they were arrested for stealing millions of kwacha collected from road users. Going by what my niece told me, are we shocked that this happened? Imagine, then, what values these graduates will instill in their children. What will Malawi become thirty years from now?

I am not at all suggesting that our generation is any better – after all it is our generation that has ruined our country. In all these ministries and state-owned enterprises, it's our generation calling the shots and raiding state coffers for personal gain. We are in a hurry to get rich, to buy glittering cars not only for ourselves but also for our mothers-in-law and others-in-law. We don't seem to care about this country. As the deceased comedian John Nyanga, acting as Izeki, once said, "We act as if we have another Malawi elsewhere, to which we will return after we have destroyed this one." Let's act now, before it is too late. Before we hold anyone else accountable, let our profession itself be accountable.

Stanley Onjezani Kenani, FCCA, CIA, is a Malawian accountant who works for an international organization in Switzerland.

STRENGTHENING CORPORATE GOVERNANCE IN MALAWI

Notice No: PN2023/002

The Public Accountants and Auditors Act of 2013 (the "PAA Act") gives mandate to the Institute of Chartered Accountants in Malawi ("ICAM" or the "Institute") in carrying out its functions. One of the functions per Section 41 (r) of the PAA Act is 'promoting issues of good corporate governance in Malawi'. Therefore, the Institute, in keeping with its legal mandate, and to contribute to the socio-economic development of Malawi, is issuing guidance following recent events in the public interest, as follows:

a) Amendment to Section 5 (B) of the Public Audit Act

The Institute has observed, with deep concern, the presidential assent to a bill passed by Parliament, at its 49th session that removes the requirement for a practicing certificate as one of the qualifications of the Auditor General.

Sadly, this comes hard on the heels of various interactions with Government in which we advised against this amendment, and after meeting the Ministry of Finance and Economic Affairs, and later the Public Accounts Committee. Alternatively, we proposed transitional arrangements to capacitate this noble office which are already underway and have resulted in some accountants in the public service both attaining the practicing certificate and undergoing a practical experience monitoring program.

The Institute's position is that this amendment threatens enabler No. 2 of the Malawi 2063 Agenda namely, 'Effective Governance Systems and Institutions', and contravenes the practicing certificate requirements of both the Companies Act and the PAA Act, for delegated audits of entities over which the National Audit Office has final responsibility.

The certificate also provides public confidence of the skills, competence and experience required of such a high office in opining on financial reports of Central or Local Government and State-Owned Entities.

Consequently, a practicing certificate remains indispensable for the supremacy and nobility of this high office and is in keeping with global best practice.

b) The office of the Anti-Corruption Bureau and the fight against corruption

Our understanding is that effective public financial management happens only where there is a robust legal framework and strict observance of the rule of law.

The unending legal battles surrounding the Director General, Ms. Martha Chizuma through, an apparent selective application of justice to all parties involved, and advancing personal and political interests over the common good, has the potential to slow down and jeopardize the fight against corruption, and to compromise the authority and honour of the Office of the President of Malawi when it is involved in dealing with such avoidable incidents.

The Institute's view is that the fight against corruption remains a concerted effort, and should take precedence over personal or political interests, the selective application of the law, and that inter-agency cooperation should be upheld.

c) Alleged fraud at the Accountant General Department (AGD)

In 2022, two fraudulent transactions were publicly reported, one in June involving a loss of K159 million, and another in October involving a loss of K16 million.

Allegedly, officers from the AGD had been colluding with accountants from government agencies to siphon money from Account Number One through allowances. Sadly, apart from the arrests nothing so far has been reported on the matter.

It is advisable for the AGD to review and strengthen its internal control environment and systems including the Integrated Financial Management Information System (IFMIS) to prevent future occurrences of such frauds.

The Institute's view is that timely conclusion of the investigations and sanctioning of those found guilty is vital to curb fraud and deter would-be fraudsters and demonstrates firm adherence to the rule of law. It is our view that all officials, regardless of rank, should be held accountable where loss of public resources occurs.

d) Alleged fraud at and restructuring of ADMARC

The Institute bemoans the reports that alleges ADMARC as a conduit for unscrupulous people for siphoning public funds and rampant asset stripping. Further, in strengthening good governance at ADMARC, the government should ensure independence of the board and management.

We have also noted the announcement on 30th January 2023 by ADMARC management to retrench entire staff in the process of restructuring the entity.

However, the Institute expects that recruitment will be conducted in a transparent manner and on merit. Further, that the reports on allegations of abuse of resources will be acted upon without regard to any affiliation.

The Institute is taking necessary steps to ensure the discipline of any of its members and of unregistered accountants by the Malawi Accountants Board.

e) Winding up of companies such as Alliance Capital Limited and Peoples Trading Centre Limited

The judgement that was made in favour of the regulator of financial institutions, Reserve Bank of Malawi, in the winding up of Alliance Capital Limited exposed several lapses in corporate governance practices and regulatory frameworks.

For example, the negative capital of K393 Million as at December 2021 against the required capital of K50 Million should have raised red flags to both the regulator and auditor. Further, had there been more diligent regulation, the company would not have, by February 2022, been owed K23 billion by advancing clients' funds against its mandate.

The Institute applauds the regulator for instituting a forensic audit and the Government for instituting criminal investigations against the directors of the company.

In addition, all these liquidations and frauds reveal lapses in the conduct of financial audits. Accordingly, the Institute charges all auditors to adhere to the PAA Act which requires the mandatory reporting of significant fraud to the Malawi Accountants Board through the Institute.

Further, auditors are to adhere to the disclosure and reporting requirements of International Standards on Auditing, the Companies Act and Financial Services Act, among others, regarding fraud and the risk of going concern.

The Institute also charges all employers to register all its accountants, requesting Government to do the same, and practitioners to mandatorily register all resident and non-resident accountants involved, directly or indirectly, in providing services to the public and has issued a separate notice in this regard.



CA. Moffat Ngalande
President

20th February 2023

MANAGE YOUR CURRENCIES

by **Lorraine Chikhula**

When we hear the word currency, we usually think about money. Naturally so, money is something we use almost every day and money is tangible. Of course, it has that Top of Mind effect.

Currency is also associated with power and exchange, especially with its association with money. Currency gets you things, gets you places, gets you through doors, earns you power and respect, grows businesses, caters for families and human needs etc.

This level of impact also means currency is dynamic, versatile, and delicate.

However, as people, we have a couple of other currencies that we usually do not pay that much intentional mind to and yet have a large impact on our quality of life, how we impact others, how we show up in our spaces and what investments we make in life.

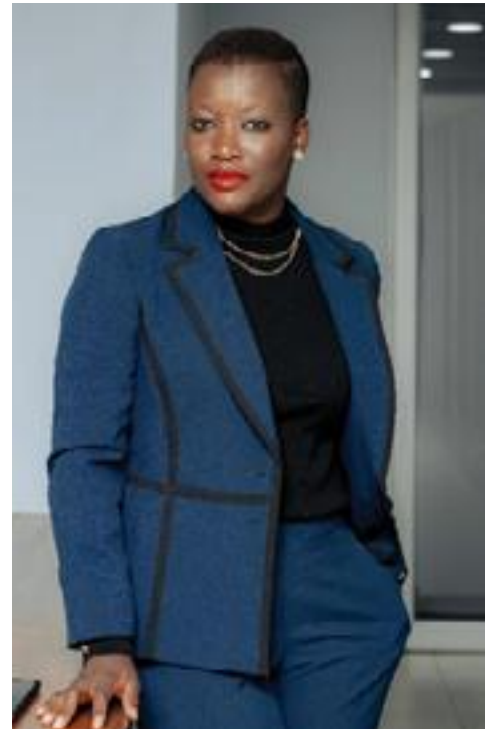
These currencies are energy, focus and time.

Energy

We all have energy that usually revolves and is not infinite. I personally do not have the same energy I had in my teens. And as we grow, more things call for our involvement. This makes it critical for us to be conscious about where we are exerting our energy and the returns it's yielding. On top of this, we may do something today but feel depleted a few days later and not travel the connection because we were being international. In the professional realm, there is a popular saying that business does not equal productivity. Meaning, merely being active doesn't mean you are investing your energy in worthwhile endeavours. Be intentional about your energy.

Time

It's 24 hours a day for every soul on earth whether we like it or not. But most importantly, we do not have the liberty to control not only the hours in a day but our time on earth in general. It, therefore, goes without saying that we should allocate our time accordingly daily and in light of the aspirations for our life on earth and the legacy we would like to leave. There are many distractions nowadays that take our minds away from the bigger picture and we must be conscious enough to remember that we have the power to allocate our time in



a way that brings the most value to our lives and those around us.

Focus

What you focus on grows. Focus is a currency. You cannot spend all day reading depressing stories on some news page or self-help page and expect to feel joy at the end of the day. You cannot spend the whole weekend gallivanting with friends aimlessly and end up finishing your important projects or school. You cannot focus on competing with others and end up confident or with good social capital. Flip your focus and you flip your life. Manage your focus currency by being mindful of what you focus on in life.

All these currencies are equally delicate and should be handled consciously and intentionally.



Pic credit: Dave Ferguson Leadership Coach

Lorraine is a Public Relations Manager at FDH Financial Holdings

Top Five Ways That Culture Can Affect Cross-Cultural Leadership

By Priscilla Kauya

When Enron was still in its glory days, it lost a major contract in India because local authorities felt that it was pushing negotiations too fast. The loss of the contract underlines the important role that cultural differences play in international business and in cross-cultural leadership. For one country's negotiators, time is money; for another's, the slower the negotiations, the better and more trust on the other side



As more and more businesses expand and enter the global market, it is important for leaders to understand the impact on the leadership of the culture prevalent in the new markets they are entering. Culture profoundly influences how people think, communicate, and behave. It also affects the kind of transactions they make and the way they negotiate them. Differences in culture between business executives, such as between an African public sector manager in Malawi and a British public sector manager in London, can create barriers that impede or completely hinder the leadership process.

Leaders should understand that cultural differences can affect how they perform in the local markets they are targeting. Cultural sensitivity is therefore essential when engaging in cross-cultural business. Leaders should never look at cultural differences as weaknesses but should respect cultural differences to gain success. Understanding cultural differences provides the leader with a wide range of business expertise and business insights that a leader needs to overcome business-related problems. Such a leader will be able to cope with potential barriers regarding international business and culture.

Cultural differences are the various beliefs, behaviours, languages, practices and expressions considered unique to members of a specific ethnicity, race or national origin. Some examples of cultural differences include low context versus high context cultures, individualistic versus collectivistic cultures, masculine versus feminine cultures, low power distance cultures versus high power distance cultures, and cultures with high avoidance of uncertainty versus cultures with low avoidance of uncertainty. In a cross-cultural workplace, church or any environment, cultural differences often outweigh any similarities among people. While these differences can create a more vibrant environment, they can also lead to problems resulting from cultural clashes. Such cultural clashes create numerous cross-cultural challenges that every global leader has to deal with in order to be effective. Cross-cultural challenges

Understanding cross-cultural challenges and recognizing their effects on a leader's business will prevent the leader from creating misunderstandings with foreign clients, colleagues and other stakeholders. The following are examples of cross-cultural challenges that a cross-cultural leader should be aware of:

1. Communication.

One of the first things to consider is communication. Whilst some cultures are classified as low-context, others are classified as high-context. In low-context cultures, communication is explicit and clear while in high-context cultures, communication is implicit and there is more shared content. For example, while the Nigerians may value directness and brevity, professionals from Malawi can be more indirect and nuanced in their communication. However, the opposite happens when negative feedback is to be given. In such cases, communication becomes direct in high-context cultures such as Malawi whilst low-context cultures such as Nigeria tend to be indirect when negative feedback is called for.

It is also important for global leaders to understand the importance of non-verbal communication in cultures. What might be okay in one culture can be offensive in another culture. For example, it is not uncommon to see people picking their nose during business meetings in Nigeria. However, nose-picking in meetings is rude in the United Kingdom and many other Western nations.

What might be okay in your culture, such as a firm handshake, making direct eye contact, or a kiss on the cheek, could be unusual or even offensive to a foreign colleague or client. Where possible, do your research in advance of professional interactions with individuals from a different culture. Remember to be perceptive to body language, and when in doubt, ask.

2. Relationship-based versus task-based cultures.

In relationship-based cultures, such as in most Asian and

African countries, one of the ways to build good relationships involves spending time together at the dining table (drinking and eating). In such cultures, building a strong network results in gaining trust and opens a path to success as cultural differences are set aside. In task-based (task-oriented) cultures such as the United States of America, however, people tend not to have drinks with potential business partners often, unless necessary, so they can avoid embarrassing situations. Consider the scenario below:

Our German business partners were impatient with a Botswana based company which seemed to be delaying in concluding a business transaction as they spent a lot of time trying to develop a relationship with our consortium made up of the German business partners and our consulting company that has footprints in four countries of the Southern African region. The German business partners did not understand that in Africa 'relationships come before function, that is, before a business contract'.

3. High versus low comfort of silence.

In some countries where the comfort of silence is low, a few seconds of silence make the conversation uncomfortable. On the other hand, in countries where the comfort of silence is high, people are not likely to feel uncomfortable if the conversation stops for as long as 30 seconds. Such differences explain why people from countries with a high comfort of silence, such as Asian countries, do not speak often during business meetings with people from low comfort of silence countries such as Western countries.

4. Win-win versus win-lose attitude.

Because of differences in culture, personality, or both, business leaders appear to approach deal making with one of two basic attitudes: that a negotiation is either a process in which both can gain (win-win) or a struggle in which, of necessity, one side wins and the other side loses (win-lose). For example, whilst Japanese approach negotiations with a win-win attitude, Americans approach negotiations with a win-lose attitude. Win-win negotiators see deal making as a collaborative, problem-solving process; win-lose negotiators view it as confrontational. As leaders enter negotiations, it is important to know which type of negotiator they are dealing with.

5. Formal or informal personal style.

Culture strongly influences people's personal style. For example, Germans have a more formal style than Americans. A negotiator with a formal style insists on addressing counterparts by their titles, avoids personal anecdotes, and refrains from questions touching on the private or family life of members of the other negotiating team. A negotiator with an informal style tries to start the discussion on a first-name basis and quickly seeks to develop a personal, friendly relationship with the other team. For an American, calling someone by the first name is an act of friendship and therefore a good thing. For a Japanese, the use of the first name at a first meeting is an act of disrespect and therefore bad.

Leaders in foreign cultures must respect appropriate formalities. As a general rule, it is always safer to adopt a formal posture and move to an informal one if the situation warrants it, than to assume an informal style too quickly and commit a cultural faux pas.

Cross-cultural competencies

It is not good enough for a leader to be aware of cross-cultural

challenges. The leader should also possess cross-cultural competencies that would help him or her combat such cross-cultural challenges as those stated above. Such cross-cultural competencies include:

- Cultural minimization: standardization or control of the cultural differences that exist in the environment in order to limit the effect of any cultural differences.
- Cultural adaptation: adjusting to cultural differences, including other culture's norms and behaviors, and responding in a way that is expected by the other culture.
- Cultural integration: creating a new set of norms and responding with collaboration to find solutions acceptable to both cultures affected.

How Does a Global Leader Develop or Improve Cross-Cultural Leadership Skills?

Developing or improving cross-cultural leadership skills is critical for effecting leadership in a cross-cultural environment.

So, how does a leader develop or improve cross-cultural leadership skills?

Here's what a leader can do:

1. Become self-aware. Work out your own beliefs, values and personal biases.
2. Do your own research of the cultures you are entering into.
3. Talk to someone from a different cultural background.
4. Travel! Of course, remember that travelling alone is not good enough; you have to live in that culture for at least three months to fully understand the culture.
5. Be more accepting, sometimes you might need to adapt the culture in order to lead effectively.
6. Do not stereotype! Prejudice and ethnocentrism are some of the greatest enemies of a cross-cultural leader. Prejudice is an attitude, belief or emotion by an individual about another individual based on faulty or unsubstantiated data. An effective leader who wants to effectively lead cross-cultural people should avoid prejudice as prejudice is self-oriented rather than others oriented. Ethnocentrism is the tendency to place one's own culture at the center of their own perceptions of others and the world; the tendency to give priority to one's own beliefs, attitudes and values over and above those of other cultures. Ethnocentrism in leadership can be a major obstacle because it prevents people from fully understanding or respecting the viewpoints of others.
7. Know that everyone is unique. Consequently, do not expect that every person will be like you. Accept the different cultures of the people you lead.

While navigating cross-cultural leadership can be a challenge, approaching cultural differences with sensitivity, openness, and curiosity can help to put everyone at ease.

You might have encountered some cultural differences in your workplace that were surprising. Feel free to contact us.

Dr. Priscilla Kauya holds a Doctorate of Strategic Leadership (DSL) Degree from Regent University in the United States of America, Masters of Business Administration (MBA) from University of Botswana, a Bachelor's Degree in Commerce (Accountancy) and a Diploma in Business Studies from the University of Malawi. She is a Fellow of the Institute of Chartered Certified Accountants (FCCA), a Fellow of the Botswana Institute of Chartered Accountants (BICA) and a Practising member of the Institute of Chartered Accountants in Malawi (ICAM).





Sound of Silence:

Honouring the visionary journey of late Dr. Francis Chinjoka Gondwe

By: CA. Charles Chimpeni, ACMA, CA (M)

In the realm of the business world, exceptional leaders are akin, to gems. They guide us forward with their vision, dedication, and unwavering commitment to excellence. Their impact extends beyond boardrooms and operations. I quote Thomas Campbell, "To live in hearts we leave behind is not to die". Indeed, true leaders are rare and very few are capable of illuminating the path forward with a vision, dedication, and unwavering commitment to ensure excellence. It is with heavy hearts and deep reverence that in this article, I pay tribute to the late Dr. Francis Chinjoka Gondwe, a luminary whose impact resonates far beyond the ICAM Secretariat and Council.

A visionary leader

Late Francis's journey at ICAM as its CEO began on 1st July 2017 with a vision that was as audacious as it was inspiring. This was after several years of serving in the Council. With a firm belief in the power of excellence, empowerment, and teamwork, he transformed ICAM into a hub of value creation and progress. Despite internal and external challenges and setbacks along the way, his ability to anticipate the profession's shifts and steer the ICAM Team toward uncharted territories set him apart as a true visionary.

Late Francis was more than just a leader; he was a beacon of wisdom, a source of inspiration, and a guiding light for

ICAM in times of darkness and despair. His unwavering commitment set the highest standards for ICAM in troubled times, like the Covid-19 epidemic. Under his guidance, ICAM strived to achieve milestones that once seemed unattainable, and his passion for progress ignited a fire within each of ICAM's staff members.

Through his leadership, the ICAM brand became synonymous with groundbreaking ideas and forward-thinking activities to ensure the growth of the importance of the accountancy profession in Malawi which was evidenced by the increase in membership, students, and relevancy of the profession to the Malawian Government and its partners.

A culture of empowerment and collaboration

Beyond the accolades and achievements, the Late Francis will be remembered for his unique ability to foster a culture of empowerment and collaboration. He understood that the Institute's success was not solely built on surplus on financial statements but on the strength of staff members. He had the amazing skill of respectfully correcting those in the wrong while guiding them to acceptable performance. His open-door policy, genuine interest in employees' growth, and unwavering support created an environment where everyone felt valued and inspired to contribute their best.

In addition, beyond the boardroom and meetings, he was a compassionate human being who cared deeply for his colleagues and their well-being. He understood that an organization is not just a collective of individuals but a family working towards a shared dream. His willingness to listen showcased the qualities of a true leader who valued each person's contribution.

Leaving a lasting impact

Late Francis's legacy extended well beyond the ICAM Secretariat and Council. He knew how to relate to people from all walks of life. He had a vast valuable network beyond the accountancy profession. There was no door on the land which he had no access to, as such it was an asset to the growth of the ICAM brand. In addition, his commitment to social responsibility set a high bar for corporate citizenship.

He championed initiatives that positively impacted the profession, embodying the belief that the Institute could be a force for good in Malawi. His dedication to sustainable practices paved the way for an era of evolving accountancy professionals who are adaptive and responsive. No wonder, the IFAC Board regarded his death as a loss of a public interest champion.

A Tribute to the person behind the leader

Beyond the professional sphere, the Late Francis was a person of remarkable character. Friends and colleagues recall his kindness, humility, and unrelenting drive. His ability to connect on a personal level transcended ICAM galore of achievements, leaving an imprint on those fortunate enough to have crossed paths with him.

Carrying the torch forward

While Late Francis's physical presence may be missed, his legacy lives on as a guiding light for all who were touched by his truly remarkable journey. His values, principles, and unyielding spirit continue to shape ICAM's path, ensuring that his impact endures.

Moving forward, we draw strength from the lessons he imparted to us: the importance of resilience, the power of innovation, and the value of genuine relationships. As we continue to work toward our goals, let us remember that we are not just preserving a legacy; we are actively contributing to it, ensuring that his vision lives on through our actions.

As we reflect on the life and achievements of Late Francis, we are reminded that a true leader's influence extends far beyond their time in organizations. His story serves as a testament to the impact an individual can have. In the end, his journey was not just about success; it was about leaving the accountancy profession a better profession than he found it. In that mission, he undoubtedly challenged everyone, inspiring ICAM members, students, and other stakeholders to aim higher, dream bigger, and make a lasting mark.

We, the hearts that are left behind, can, as Dana Winner

did, add an angelic voice to the song written by **Paul Simon**:

*Hello darkness, my old friend
I've come to talk with you again
Because a vision softly creeping
Left its seed while I was sleeping
And the vision that was planted in my brain
Still remains
Within the sound of silence*

*In restless dreams I walked alone
Narrow streets of cobblestone
'Neath the halo of a street lamp
I turned my collar to the cold and damp
When my eyes were stabbed by the flash of
neon light
That split the night
And touched the sound of silence*

*And in the naked light, I saw
Ten thousand people, maybe more
People talking without speaking
People hearing without listening
People writing songs that voices never shared
No one dared
Disturb the sound of silence*

*"Fools", said I, "You do not know
Silence like a cancer grows
Hear my words that I might teach you
Take my arms that I might reach you"
But my words like silent raindrops fell
And echoed in the wells of silence*

*And the people bowed and prayed
To the neon god they made
And the sign flashed out its warning
In the words that it was forming
And the sign said, "The words of the prophets
are written on the subway walls
In tenement halls"
And whispered in the sounds of silence*

Rest in peace, Dr. Francis Chinjoka Gondwe. Your legacy lives on!



CA. Charles Chimpeni is ICAM's Director of Technical & Membership Services

Know your MEMARTS...

Voting at General Meeting

110. Every full member as described in Article 6 other than diplomates and any other lower membership category as may be established, shall have one vote at every General Meeting, whether on a show of hands or on a poll, physical or electronic.

111. A member qualified to vote, being personally present at any General Meeting, may decline to vote on any question before the meeting, but shall not by so declining be considered absent from the meeting, nor shall his presence invalidate any proxy duly given by him, except as regards any question on which he may vote in person.

112. A member entitled to vote may from time to time appoint as his proxy any other member who is qualified to vote.



Chairmen/presidents since 1969

SOCAM

Chairpersons

1969/70	D J Lee
1970/71	J Reid
1971/72	B Thomas
1972/73	L Mercer
1973/74	R Vart
1974/75	R H Martin
1975/77	V Mullan
1977/78	B Thomas
1978/79	D R Kemp
1979/80	I R M Law
1980/82	F Sacranie
1982/83	R H Martin
1983/84	J E Smith
1984/85	R Wrixon
1985/86	A A Osman
1986/87	A J Rix
1987/89	M Mtila
1989/90	C Mhango
1990/91	J M O'Neill
1991/92	M A R Phiri
1992/94	R H Savjani
1994/96	N T Uka
1996/98	P A E Kankhwende (Mrs)
1998/99	A B Sauzande

Presidents

1999/00	A B Sauzande
2000/02	A A Chioko
2002/04	M Z U Tembo
2004/06	J K Lipunga
2006/08	A G Kulugomba
2008/10	D Ngwira (Mrs)
2010/12	L Katandula
2012/13	W Matambo

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2013/14	W Matambo
2014/16	C Chihana
2016/18	H Chowawa
2018/20	B J Mwenelupembe
2020/22	P T Kachingwe (Mrs)
2022/todate	M Ngalande

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