



TOGETHER WE  
MAKE IT HAPPEN

# NEWSFLASH

4<sup>th</sup> Edition

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## EVENTS FOR THE YEAR 2019

*A Few events to look out  
for during the course of  
the year.*

**ACCOUNTANTS GOLF  
CHALLENGE**

**WINE & WHISKY  
TASTING**

**WOMEN'S DAY  
CELEBRATIONS**

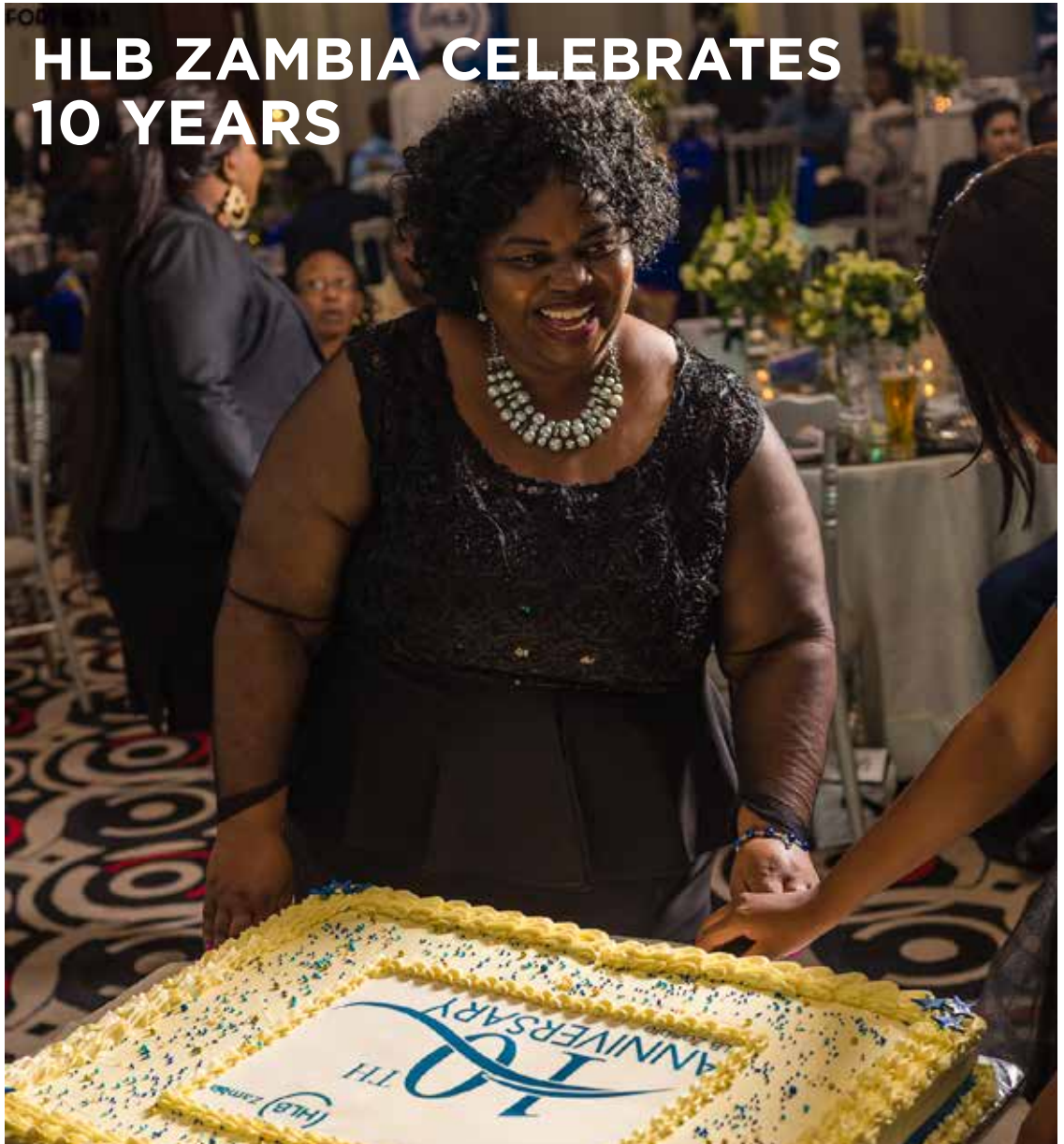
**TEAMBUILDING**

**CORPORATE SOCIAL  
RESPONSIBILITY**

**END OF YEAR  
CELEBRATIONS**

**HLB INTERNATIONAL  
50<sup>TH</sup> ANNIVERSARY**

## HLB ZAMBIA CELEBRATES 10 YEARS



### HLB MALAWI OPENS



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### NEW YEAR, NEW THEME



Pg 6

### 2018 AWARD WINNERS



Pg 4



# DISTINGUISHED READERS!

Welcome to our latest HLB Newsletter this first quarter of 2019, which I hope have helped to keep you updated on our latest news and provide you with vital financial Tips. It's my sincere hope that you have been enjoying our news on what has been going on around our HLB network. Am glad that you have been part of our achievements in the last year and look forward to a successful 2019. Our scheme for this year is that of an "ANT" implying that Team work is key this year if we are to achieve all our expectation.

Our forecast this year as HLB is to give our customer 100% attention by going an extra mile on our service levels.

I therefore urge all the members of staff to put in their best this year if our vision of an Ant is to come to reality. I also wish to take this opportunity to congratulate all those that were awarded for their various contributions during our end of year party and encourage you to work even more this year.

**Happy reading & all the best in 2019!**



**Shuko Ndhlovu FCCA, CMIIA, CISA**

A stylized, handwritten signature in black ink, appearing to read 'Shuko Ndhlovu'.



# OUR SERVICES

## ACCOUNTING

Book keeping  
Internal Audit Controlling  
Audited Financial Statements  
Information Technology  
Audit – Systems Audit

## TAX COMPLIANCE

ZRA Tax Administration  
and Negotiations  
Tax Health Checks  
Mauritius Country and  
Tax Registration  
Tax Agency

## ADMINISTRATION

Legal Bank Account  
Cash Management

## PAYROLL

Sage And Pastel Payroll  
Human Resource  
Outsourcing  
Payslips and Payroll  
Statements

## CORPORATE SERVICES

Company Registration  
Legal Secretarial  
Liquidations and Receiverships  
Debt Collection  
Secretarial Outsourcing  
Capital Raising  
Immigration  
Due Diligence

## ADVISORY

CFO Services  
Corporate Advisory  
Transfer Pricing Compliance  
Mergers and Acquisition  
Consulting and Business  
Advice

# A RECAP OF 2018

## HLB MALAWI

HLB Malawi opened early last year which now is running and happy that clients are coming on board. With our presence in Malawi our aim is to expand our horizons across international and neighboring boundaries to assist companies become Tax compliant and maintain clean financial records.



## FIRST EVER ACCOUNTANTS CHALLENGE

HLB hosted its first ever accountants golf challenge last year which is an initiative targeted to help bridge the gap between most accounting firms and to move away with the notion that accountants are boring.

## HLB LAUNCHES WEBSITE

HLB International website has changed from [www.hlbi.com](http://www.hlbi.com) to [www.hlb.global](http://www.hlb.global). Our new website's aim at increasing HLB's online presence with the purpose of communicating more directly with clients, members and other HLB stakeholder groups.

## HLB ZAMBIA'S INFO EMAIL

HLB Zambia now has an additional email which is [info@hlb.co.zm](mailto:info@hlb.co.zm) which is being used for enquires and we urge everyone to use it for prompt feedback and communication.

## END OF YEAR AWARDS

The board and management of HLB Zambia would like to thank everyone for their hard work last year and hope it will be a spillover effect to this year thus congratulations are in order to the following:

### RISEING STARS

Madalisto Zulu  
Cesthwayo Mapala  
Andrew Chimbaza  
Namakau Mukanda  
Nchimunya Hapeza

### LONG SERVICE AWARD

Muriel Mvula  
Joseph Chaonsa  
Masuzyo Mulenga  
Alinase Kaira

### EMPLOYEE OF THE YEAR AWARD

Tukiya K Banda  
Simiao Mucavele  
Raymond Hamakuni  
Salome Kapembeza  
Natasha Banda

### TEAM PLAYER AWARD

Chashi Mutale  
Tawana Msusa  
Flora Kawelama

### BEST DRESSED AWARD

Madalisto Zulu  
Cynthia Zulu  
Muriel Mvula

### MANAGERS OF THE YEAR

Simon P Millionsi  
Albert Ngulube

### CLIENT MANAGEMENT AWARD

Isaac Siasulwe

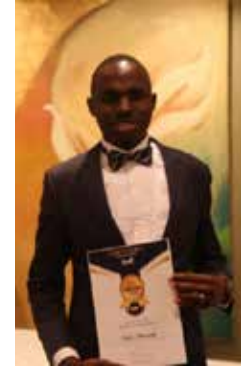
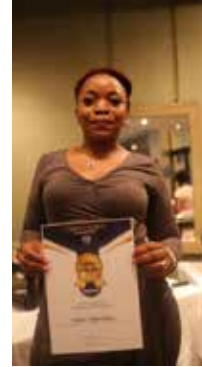




# RECAP (IN PICTURES)











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## INSURANCE PRODUCTS

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# 2019: THE YEAR OF THE ANT

This year's theme at HLB Zambia is "the year of the ANT". Ants are found on almost every continent on Earth and are very common almost everywhere you live, but certain species of ants are truly unique and can provide insight on a range of topics.





Most people would ask why the ant? But the ant has so many great attributes. Too often we ignore them or even hate the sight of these tiny creatures. However, in as tiny as they may be we can definitely learn a thing or two about the traits they possess and can apply them to ourselves, team, department or business as a whole.

Ants operate like a business, Ants belong to a hierarchical social structure they divide jobs among different types of ants in the colony and work together as a group. Each ant has a specific job in a colony. Their determined such as Queen, Soldier, Worker or Drone and can be changed by age and as ants grow older their jobs move further. Below are some of the traits we can apply this year.

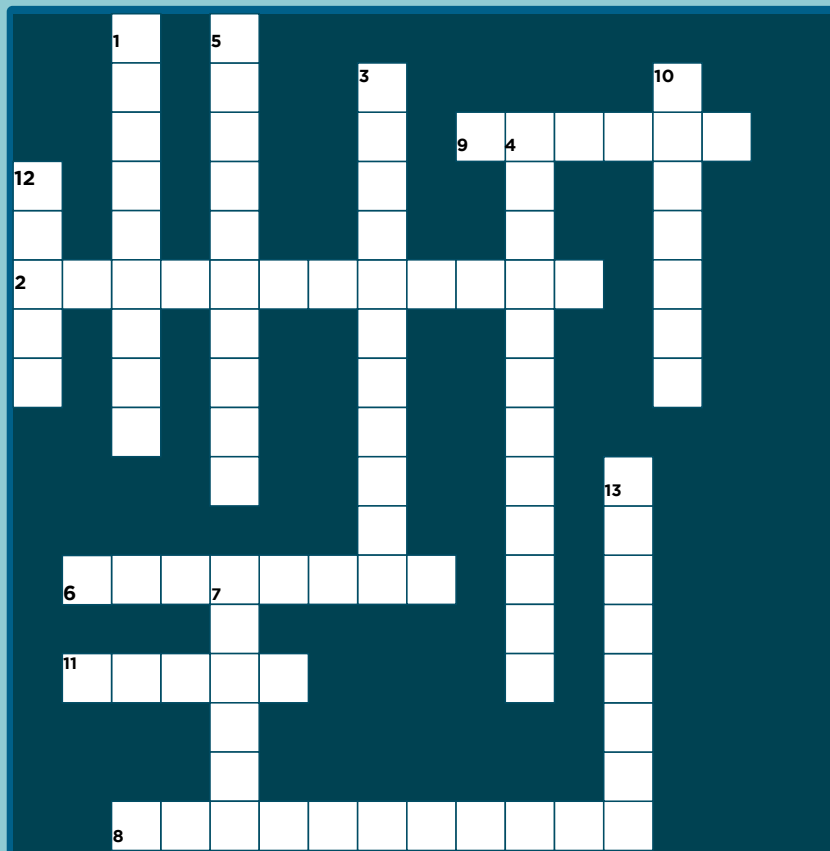
- **Teamwork-** Ants value teamwork and work together effectively because they have the same goal for the good and unity of the colony.
- **Organization** – Ants are generally organized even if they live in large colonies or groups they know how to carry out their tasks and are able to accomplish it no matter how big.
- **Leadership and Humility** – Ants are great leaders but also have the humility to follow. Humility is strength and not weakness.
- **Great Communication Skills and Discipline-** Ants usually move in a single line. Whilst moving in a line, they have perfect coordination and send feedback to the following ant creating a network and a well bound team.

- **Commitment-** Ants are not intimidated by workload. Commitment makes them winners because despite the hurdles and objects that come their way they still remain committed to meeting their main goal.
- **Ants get the Job done** – come rain or sunshine ants always persevere and get the job done
- **Planning** – When its summer ants plan for winter. During winter, when the cold is becoming unbearable, they never lack anything because they are better planners and like ants we too can plan for future challenges.
- **Strong and Hardworking** - Ants are noted for carrying objects that are bigger than them. This is only made possible through sheer hard work and determination. Ants are not only strong, but also hard working. They are not scared of heavy task, but rather take pleasure in lifting these objects to their colony. If we don't look at how big a task is, we would easily accomplish task that seemed insurmountable.

Watching ants at work and play is amazing for us. The lessons from these tiny ants are great challenges for modern humanity. The lessons they teach should lead us to enlightenment and unity. Thus Ants make the most of every opportunity if we follow them we can succeed at anything.



# GAMES



## ACCOUNTING CROSSWORDS

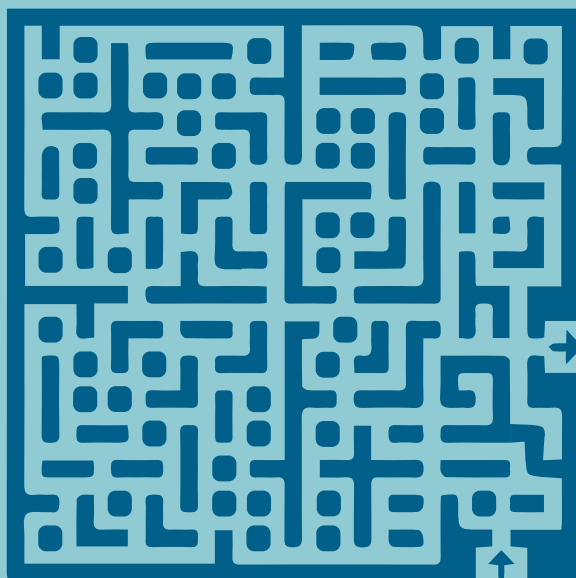
### ACROSS

2. A Financial statement that reports assets, liabilities an owner's equity on a specific date.
6. An accounting device used to analyze transactions
8. Assets taken out of a business for the owner's personal use
9. Type of Balance on the side of the account that is increased
11. Anything of Value that is owned

### DOWN

1. An amount owned by a business.
3. A business activity that changes assets, liabilities, or owner's equity.
4. The amount of remaining value of all liabilities subtracted from the value of all assets.
5. Planning recording, analyzing and interpreting financial information
7. An amount recorded on the right side.
10. The account used to summarize the owner's equity in a business.
12. An amount recorded on the left side
13. financial rights to the assets of a business.

**LOOK OUT FOR ANSWERS IN THE NEXT ISSUE**



**SOLVE THE  
MAZE**

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# MARKETING CORNER



## DRIVING THE CLIENT FROM BRAND AWARENESS TO BRAND INSISTENCE.

It is believed that the ultimate Goal of Brand Equity building is to move the consumer from Brand Awareness to Brand Insistence. Brand Insistence model incorporates five elements that drive a consumer to insist upon a particular Brand to meet his or her needs – Brand Awareness, Accessibility, Value, Relevant differentiation and Emotional connection.

We believe that these five areas of emphasis and activity are the primary drivers of consumer Brand Insistence.

### BRAND AWARENESS

Brand building begins with awareness. Consumers first must be aware that there are different brands in the product categories in which your brand operates. Next, they must be aware of your brand. Ideally, your brand should be the first one that comes to their minds within specific product categories and also be the

first one they associate with key consumer benefits. Consumers should be - able to identify which benefits are associated with the brand – Have some idea of where your brand is found.

### ACCESSIBILITY

Your Brand must be available where consumers shop. It's much easier for consumers to insist upon your brand if it is widely available, and slight brand preference goes a long way towards insistence when the Brand is widely available. The importance of convenience cannot be overestimated in today's world.

### VALUE

Does your brand deliver good value for the price? Do consumers believe it is worth the price? Regardless of whether it is expensive or inexpensive, high end or low end, it must deliver at least a Good value.

## \*MARKETING TIP

Online Newsletters are one of the most effective tools for keeping your Brand in people's minds and creating an emotional connection with your Brand. They provide Global reach twenty-four hours a day for free. Because of that, you can afford to use them to advertise to non-respondents indefinitely. The more people receive e- mail Ads, the more they revisit web sites. According to Cyber Atlas, as many as 70% of internet users say visiting a website regularly would influence their decision to place orders.



# MEET OUR DIRECTORS



**SHUKO NDHLOVU**  
Managing Partner - Audit + Tax



**JONATHAN MWALE**  
Partner - Audit &  
Consulting



**MASUZYO M MUTETO**  
Principal Director - Audit +  
Assurance



**HERBERT MAAMBO**  
Director Internal Audit & Risk  
Services



**LUSUNGU KAYELA**  
Director Human Capital +  
Consulting



**JOSEPH CHAONSA**  
Director - Tax & Accounting

# TRANSFER PRICING

## AVOIDING TRANSFER PRICING PITFALLS

If you are a company that operates internationally, you are likely familiar with the concept of Transfer pricing. With multinational companies working in countries with different Tax Laws and Rates, transfer pricing is used to determine proper allocation of income within the supply chain for Tax purposes, matching income with functions, Risks and exploitation of intangible property. Basically, it's a strategy that gets the right income in the right place, so that you can be taxed on it correctly.

To better manage the intricacies around Transfer Pricing, consider the following;

- Create Thorough Documentation – Prepare Annual Transfer pricing documentation where appropriate and prepare intercompany agreements to cover all material (especially recurring) intercompany transactions. This way, there is no question about what policies are in force, also, be sure to regularly invoice for intercompany transactions with clear description on invoices.
- Regularly Assess your Policy – it's not enough to create a solid plan the first time around. You need to assess your transfer pricing documentation annually, and compare it to requirements in each jurisdiction where your business operates. An easy way to simplify agreements globally is to have one policy with modifications made as needed to meet specific local requirements.
- Always be Audit Ready – Assume the worst and take a cue from the Boys scouts – “Always be Prepared” When an audit comes about, the time frame allowed for response is often slim. Have the appropriate documentation at the ready, as well as an experienced advisor on call to assist with a comprehensive defense. The less time Auditors have to spend getting clear answers, the less they will expect to recover as a result of their efforts.

### TIPS ON TRANSFER PRICING

- Recognize there may be new risk in different places
- Beware the impact of currency movements
- Update intercompany debt pricing
- Scrutinize new country operations
- Look for big items
- Keep an eye on cost reduction exercises
- Match people moves with pricing moves
- Follow the money







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**HLB INTERNATIONAL  
CELEBRATES 50 YEARS**



# BUILDING INSTITUTIONS THAT OUTLIVE INDIVIDUALS

- A 'one-size-fits-all' view is usually a faulty approach to life because using the same set of lenses to judge everyone is flawed. That being said it is necessary to have standards which can be used to determine best practice. Recently the New York Times carried an article in which it reported that The Alibaba Group Holding Limited's Chairman Jack Ma will be progressively stepping down as Chairman of the company. Alibaba Group is a \$420 billion internet behemoth that Jack started with a loan from his wife and his savings. This came in the wake of being denied 10 times to study at Harvard School of Business and Kentucky Fried Chicken (KFC) leaving only him out of a job because he did not have the looks for it. Jack Ma is set to retire at age 53, five years earlier than Bill Gates who stepped down at 58 as Chairman of Microsoft in 2014.
- Many comparisons are usually drawn between Bill Gates and Jack Ma; Bill gates was at one time the richest man in the USA and the World whilst Jack Ma is the richest man in China. In an interview with Bloomberg Jack Ma remarked "I can never be as rich as him but there many things I can learn from him, but one which I can do is retire earlier" something else he also said is that he could go back to teaching as this is something he could do better than being the CEO of Alibaba. Jack goes out with a staggering net worth of an estimated \$45 billion he aims to go into philanthropy by opening up a Jack Ma foundation.
- Based on the foregoing, the Government should consider dropping the mandatory retirement age in Zambia to Fifty-Five (55). Corporate governance advocates for the splitting of the roles of the CEO and the Chairman for the purposes of independence and avoidance of one individual having unfettered powers. Over the year's companies that are a family dynasty and individual start-ups usually have the same person filling both roles as was the case in Apple (at one point), Amazon and Alibaba just to mention a few. The moral in highlighting that particular precedent which is contrary to corporate governance best practice is not to declare it redundant but rather show that a 'one-size-fits-all' approach is an unrealistic way of looking at things.
- So the advice to current CEO's, Company Presidents,

Managing Directors and Chairmen is that there is a need to develop foresight and build capacity in the current crop of executives and employees, to mentor and coach them, so that in an event of their demise, retirement and incapacitation their dream can live on vicariously through the employees they have trained. A good example is what Tim Cook has done with Apple ensuring that it was the first company to reach a valuation of a trillion-dollar mark in history, in Tim Cook, Steve Jobs legacy and vision still lives and we can rightfully conclude that Apple has outlived Steve jobs.

- It takes great ability to see your dream come to fruition but it takes even greater ability for your dream to outlive you and even become another person's dream.

***By Jimmy Maluwa***

# ABOUT THE INTERNAL AUDIT FUNCTION (PART 1)

## ABOUT INTERNAL AUDIT

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Internal auditing can be looked at as a catalyst for improving an organization's governance, risk management and management controls by providing insight and recommendations based on analyses and assessments of data and business processes. With commitment to integrity and accountability, internal auditing provides value to governing bodies and senior management as an objective source of independent advice.

## SCOPE

The scope of internal auditing within an organization is broad and may involve topics such as an organization's governance, risk management and management controls over: efficiency/effectiveness of operations (including safeguarding of assets), the reliability of financial and management reporting, and compliance with laws and regulations. Internal auditing may also involve conducting proactive fraud audits to identify potentially fraudulent acts; participating in fraud investigations under the direction of fraud investigation professionals, and conducting post investigation fraud audits to identify control breakdowns and establish financial loss.

The scope does not need to be limited to providing the audit committee with assurance over the controls implemented by management and can head towards a 'consultancy' role, providing strategic support to the audit committee and company. Establishing the 'right' scope for the internal audit function is not a 'one size fits all' exercise.

## DIFFERENCE BETWEEN INTERNAL AND EXTERNAL AUDIT

### COMPARISON CHART

BASIS FOR COMPARISON	INTERNAL AUDIT	EXTERNAL AUDIT
Meaning	Internal Audit refers to an ongoing audit function performed within an organization by a separate internal auditing department.	External Audit is an audit function performed by the independent body which is not a part of the organization.
Objective	To review the routine activities and provide suggestion for the improvement.	To analyse and verify the financial statement of the company.
Conducted by	Employees or outsourced	Third Party
Auditor is appointed by	Management	Members/Board
Users of Report	Management	Stakeholders – Lenders, Suppliers, Customers, Shareholders, regulatory authorities etc.
Opinion	Opinion is provided on the effectiveness of the operational activities of the organization.	Opinion is provided on the truthfulness and fairness of the financial statement of the company.
Scope	Decided by the management of the entity.	Decided by the statute.



Obligation	No, it is voluntary	Voluntary for smaller firms & compulsory for PIEs, Listed and multinational companies
Period	Continuous Process	Once in a year
Checks	Operational Efficiency	Accuracy and Validity of Financial Statement

## TYPES OF INTERNAL AUDIT

Internal audits are conducted for different reasons and with varying objectives and with each type of risk exposure an organization would need to conduct a particular type of internal audit. Some audits are required by regulation or policy, while others are requested by management to help improve processes or identify internal control weaknesses.

**Here are some types of internal audit:**

### OPERATIONAL AUDIT

An operational audit evaluates performance of a particular function or department to assess its efficiency and effectiveness. Financial data may be used, but the primary sources of evidence are the operational policies and achievements related to organizational objectives. Internal controls and efficiencies may be evaluated during this type of audit.

### COMPLIANCE AUDIT

A compliance audit evaluates an area's adherence to established laws, standards, regulations, policies, and/or procedures. Compliance audits are done because of a policy or statutory requirement. While the audit is done for regulatory reasons, the objectives are still to ensure adequate control over an important internal process.

### FINANCIAL AUDIT

A financial audit is a historically oriented, independent evaluation performed for the purpose of attesting to the fairness, accuracy, and reliability of financial data. The central objective is to ensure that the financial activity of the department, unit or area is completely and accurately reflected in the appropriate financial reports.

### FOLLOW UP AUDIT

These are audits conducted approximately six months after an internal or external audit report has been issued. They are designed to evaluate corrective action that has been taken on the audit issues reported in the original report. The purpose of a follow-up audit

is to revisit a past audit's recommendations and management's action plans to determine if corrective actions were taken and are working, or if situations have changed to warrant different actions.

### INVESTIGATIVE AUDIT

This is an audit that takes place as a result of a report of unusual or suspicious activity on the part of an individual or a department. It is usually focused on specific aspects of the work of a department or individual. Investigations are conducted to determine the extent of loss, assess weaknesses in controls, and make recommendations for corrective actions.

### IT AUDIT

An Information Technology (IT) audit evaluates controls related to the institution's automated information processing systems. The information technology audit function develops audit programs to assess, evaluate, and make recommendations to management regarding the adequacy of internal controls and security inherent in an organization's information systems, and the effectiveness of the associated risk management. The goal is to ascertain that IT systems are safeguarding assets, maintaining data integrity, and efficiently operating to achieve business objectives.

### MANAGEMENT AUDIT

Also called performance audit, are internal consulting projects. Because an internal audit is an activity independent of management, it is often an excellent resource to provide independent and objective insight on the efficiency of business processes. Management can request internal auditors to review a business process, organization, or strategy; and the auditors do not have to worry about backlash from management. A common management audit is a review of organizational structure, such as having internal audit look at how administrative work is divided among divisions and if there are opportunities to be more efficient. Other types of internal audits would include the integrated audit, which is a combination of the IT Audit and the Operational Audit.

# OUR HUMAN APPROACH

THE RULES OF COMMUNICATION HAVE CHANGED: NOW IT'S **HUMANS TO HUMANS.**

## HUMAN 2 HUMAN COMMUNICATION

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BRAND ACTIVATION

PACKAGING & GRAPHIC DESIGN

PUBLIC & MEDIA RELATIONS

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- Entry of 3 teams
- Major branding at the venue
- Exclusive Hole branding on 1



## GOLD SPONSOR

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- Entry of 2 teams
- Hole branding on one Hole
- Branding at the venue



## BRONZE SPONSOR

K8,000.00

- Branding at the venue



## PRIZES SPONSOR

K5,000.00

- Entry for 1 team
- Branding on hole one





2019

# ACCOUNTANTS GOLF CHALLENGE

HOSTED BY **HLB ZAMBIA**

DATE. 28.6.19  
VENUE. BONANZA GOLF CLUB



**RSVP:** Michael Chola - 0969 524404 Email: [chola@hlb.co.zm](mailto:chola@hlb.co.zm)/[info@hlb.co.zm](mailto:info@hlb.co.zm)



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