

NEWSLETTER

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**1.TAS Managing Director's
end of year message**



Webster Sigauke- Managing Director

As 2021 comes to an end, I must start with a heartfelt thank you to our loyal and new Clients for their unwavering support in 2021. Your patience, adaptability and trust have helped us to continue serving you in 2021 despite the lockdown and restrictions due to the Covid - 19 pandemic. We have since fully embraced the new normal and all our business processes have been fully adjusted to fully support you whilst observing Covid protocols.

Despite the obvious challenges of 2021, we have so many reasons to be proud this year. We conducted over 30 inhouse trainings and 5 public trainings in which we tackled key practical issues faced by accountants in Zimbabwe. We supported industry with over 15 technical opinion papers tackling complex reporting issues. We also assisted 8 corporates to set up as ICAZ accredited training offices. We have also created a new business line for bookkeeping and compilation of financial statements. On

the public sector end, we have also supported the initiatives of the government of implementation of International Public Sector Standards (IPSAS) by conducting trainings on the requirements of the standard and how to implement it successfully.

I attribute the milestones achieved to you our valued clients as well as my colleagues at TAS for their commitment to deliver quality to our clients. Your resilience, dedication and invaluable support was priceless.

Thank you to all our clients for your valued support and continuing to trust us in 2021. The TAS team is committed to serve you even better in 2022 and may our association get stronger.

Warm wishes for a bigger, better and prosperous 2022!!!



2. Financial Reporting

Technical 2021 Summary

FRT 2021 Overview

Covid 19 caused a great disruption within the

the TAS Financial Reporting Technical Division (FRT), we were on our toes assisting our clients with all the technical assistance that they needed in the year. As companies sought to recover from the impacts of Covid we were on the backdrop to make this happen for them. This article summarises some of the activities that the department underwent in the 2021 year. The FRT department is a technical reporting division that sets to aid clients in all financial reporting (IFRS and IPSAS) issues amongst an array of other management decision-making services. Assisting clients in their day-to-day needs is our mandate and with Covid-19 we set to cover the gap and assist our clients whilst adapting to the 'new norm' of online and remote working.

Zimbabwe is a fast-paced operating landscape due to the constant changes in laws and regulations on top of the changes in global reporting requirements such as integrated reporting and IFRS 17. 2021 has seen FRT being able to provide trainings (virtual and physical), assisting in new standard implementation, advisory, financial statements compilation and bookkeeping services. We were privileged to provide our services across several industries such as banking, agriculture, insurance, construction and manufacturing to name a few.

Though the recorded inflation rate was on a downward trend in 2021, the environment continues to be hyperinflationary in line with the indicators of hyperinflation as per financial IAS 29. As a result, the Financial Reporting Division was seized with assisting clients with IAS 29 related matters, be it training, technical opinions or performing the actual work.

As FRT and TAS as a whole, we continued to



Akson Mapfundematsva – Head of Financial Reporting Technical

expand our footprint outside the Zimbabwean borders. During 2021, we managed to serve entities across different sectors in Southern Africa. We worked with entities in Malawi, Botswana, South Africa and Mozambique in 2021 in the provision of trainings and complex advisory. The use of online platforms has allowed us to better serve these clients and meet their needs in a faster and more efficient manner.

During the year, the IASB released an exposure draft proposing an amendment to IAS 21 The Effects of Changes in Foreign Exchange, with specific focus on lack of exchangeability of currencies; this follows on from Agenda Paper 12A – E of 2020 which discussed the same matters. This focus from the IASB came as a relief for Zimbabwean preparers and auditors as the issue to do with currency and exchange rates has plagued the country as a whole since 2016. This was coupled with the advancements in the legal landscape with statutory instruments such as SI 127 being published, resulting in accountants being stuck between a rock and a hard place, which is either towing the line in accordance with the law of the land or conforming to IFRS.

To aid the market, we held a webinar on the 27th of October 2021 whose focus was on the challenges faced by the accounting fraternity in Zimbabwe in relation to the exchange rates to use in financial reporting. This was a follow on from a webinar we conducted towards the end of 2020, when we only had Agenda Paper 12, before the release of the exposure draft. In relation to this, we managed to assist many of our clients with technical opinions and reviews in relation to functional currency and exchange rates.

With 2022 around the corner, the division's focus is on capacitating finance departments and internal and external audit teams. As a result, we shall be publishing a training calendar indicating the different webinars we will be conducting in 2022. These trainings will be specific to preparers of financial statements in the public and private sectors, and for the first time we will also have webinars that focus specifically on the needs of the Auditor. Keep an eye out for the 2022 Calendar.



Book Keeping & Compilation Services

Failure to maintain financial records may result in;

- ✓ Failure to unlock funding
- ✓ Poor decision making by management & stakeholders
- ✓ Poor planning & financial risk management
- ✓ Breach in statutory requirements

We can support you with:

1. Maintenance of your financial records (bookkeeping)
2. Management Accounts and Analysis
3. Tax Planning
4. Statutory Compliance
5. Financial Statements preparation or review
6. Investment analysis
7. Business advisory



3. Competence Learning

Solutions 2021 Summary



As we approach the end of 2021 the Competence Learning Solutions (CLS) department would like to take this opportunity to express our gratitude to all of you for your support and engagement. The year has seen us help set up a number of training offices, do trainings for trainees, train students in the IPSAS course and helped ICAZ trainees track their training records on the EdgeOnline system.

Our 2021 fiscal year highlights CLS' successful COVID-19 recovery, the introduction of new projects and initiatives for the future. CLS successfully advanced its COVID-19 recovery by fully embracing digital transformation of operations through integration of digital technology into all areas of our business, fundamentally changing how we operate and deliver value to our customers. CLS services are now easily accessible on our website, www.competencelearningsolutions.co.zw, providing our customers with all the relevant information that they need. Our strong social media presence has also enhanced our customer relations and customer loyalty because online communication allowed us to interact with our customers and share information in real-time. CLS published two articles that were uploaded on the TAS website as a way of reaching out to our customers better, creating online networks and promoting our products and services. Be on the lookout for even more articles in 2022 on competence learning.

Finding new cutting-edge solutions is our commitment as CLS, thus, our goal is to continuously improve our EdgeOnline (Edge) system to cater for all our customers' needs. In 2021, we developed Edge for The Corporate Governance Institute (CGI Zimbabwe), formerly Institute of Chartered Secretaries and Administrators of Zimbabwe (ICSAZ) and Academic Articles for



Innocent Sithole – Head of Competence Learning Solutions

Chartered Accountants Academy (CAA). Despite the disruptions in business operations this year due to COVID 19, seven (7) new ICAZ training offices signed up on Edge bringing the total number of training offices to 25. with 246 trainees now on our system.

CLS currently shares the TAS vision of transforming business through developing people. This vision was, partly, accomplished through establishing training offices that develop people with the prerequisite skills to transform businesses. CLS strives to ensure reliability in our services through consistent service and support. We built a relation-



ship with ICAZ which helped us to better understand their accreditation process and further refine the service we offer our clients. We also successfully hosted a trainee refresher conference in July 2021 with an attendance of one hundred and thirty-five (135) trainees. The training was the start of our initiative to work with training offices to bolster their training environments.

CLS also aims to support professionals with the relevant competencies. The country adopted the IPSAS implementation plan and targets to fully implement it by 2025. This is meant to enhance financial accountability in central government, urban, rural authorities and the public sector at large. We successfully ran IPSAS classes from 2020 with an average attendance of fifty students per class bringing the total number of students to over 150. The 3-month course is conducted with ICAZ and helps students to gain a high level understanding of IPSAS.

We believe the year 2022 has more in store for us as well as our clients. Our major key highlights for the year 2022 are the launch of the CA2025 competency framework that aims to ensure that accountants remain relevant in a world of exponential and continuous change and launch of the CGI Edge system.

tas
Training & Advisory Services

Competence Learning Solutions
Learning on the go

- Accredited Training Office Support
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 - Online Courses

www.competencelearning.co.zw

200 Upper east Road, Mt Pleasant, Harare

4. Congratulatory Message

Nyashadzaishe Samukange

Training and Advisory Services (TAS) offers Articles of clerkship for Trainee Accountants under the Institute of Chartered Accountants of Zimbabwe (ICAZ). We have been running this program since 2017 and 2021 was no exception. We have five 1st year trainees who are under training to become Chartered Accountants. TAS affords trainees exposure to technical issues in both accounting and finance, at the highest levels in both the public and private sectors.

We are excited to announce that we are proud of one of our 1st year trainees, Nyashadzaishe Samukange – placed 3rd nationally in the September ITC exams.

Congratulations Nyashadzaishe, on this milestone achievement. You've shown hard work and determination. You deserve this recognition for your success and the best part of your success is how it will inspire others. Congratulations and all the best for everything your future holds.



5. IFRS 17: A new era of accounting for insurance contracts



The International Accounting Standards Board (IASB) issued the International Financial Reporting Standard for insurance contracts (IFRS 17) in May 2017 with an initial effective date of 1 January 2021, which eventually was changed to 1 January 2023. The difference in accounting treatment across jurisdictions and products made it difficult for investors and analysts to understand and compare insurers' results.

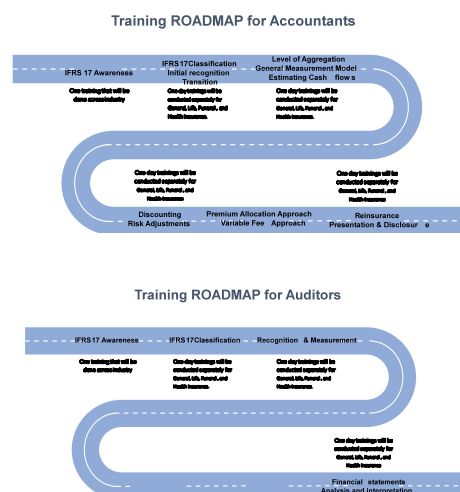
IFRS 4 did not adequately reflect the true underlying financial positions of the insurance contracts. To address these issues, the IASB undertook a project to make insurers' financial statements more useful and insurance accounting practices consistent across jurisdictions. IFRS 17 aims to increase transparency across insurance companies at both local and international level and allow easier comparison with other industries. Given that several national reporting regulators globally have adopted IFRS as the national reporting frameworks, at the effective date it is expected that globally many an insurer would be reporting using the same framework.

Due to the impact that IFRS 17 will have on financial reporting, a number of jurisdictions and advisors worldwide have started the implementation process and building robust IFRS 17 models. Saudi Arabia, Hong Kong, mainland China, South Korea and the European Union – to name a few – are quite

advanced in the road to full implementation and compliance with IFRS 17. South Korea, which is one of the major players in the global insurance market, are considered by many to be at a more advanced stage than most in their IFRS 17 implementation journey. In Zimbabwe, insurers control about 70% of funds invested on the Zimbabwe Stock Exchange. If IFRS 17 is implemented well, it is expected to make the sector attractive to investors, a situation which will impact positively to economic development in our country.

As TAS our mission is to provide the insurance industry with the relevant professional training solutions and advisory services for IFRS 17 implementation. Our technical team has done vast research on the impact of the change from IFRS 4 to IFRS 17 on the insurance industry in Zimbabwe. This research has assisted us on establishing a clear road map on how we will be able to provide the relevant trainings and advisory services to the Zimbabwean insurance industry on the implementation of IFRS 17. TAS strives for excellence in our provision of services thus we conducted various inhouse trainings this year to ensure our technical team has the prerequisite skills. In 2022 we plan to offer trainings to entities in the insurance market to assist in them in the implementation of IFRS 17. We will also be offering advisory services on the IFRS 17 implementation to the insurance industry. Finding new cutting-edge solutions is our commitment thus it is our goal to ensure that insurance industry will be able to produce financial information that promotes transparency, granularity, and comparability to the stakeholders according to the IFRS 17 requirement.

Below are the two roadmaps for IFRS 17 trainings we will be offering in 2022:



6. Integrated Reporting

Developments in Integrated Reporting

As the world around us evolves, so do our stakeholder needs. Stakeholders have diverted their attention from being solely concerned about the financial performance of an entity to taking a keen interest on how an entity can create sustainable value in the long term.

Many events that have occurred signify that many countries have embraced and adopted integrated reporting. The events which occurred were inclusive of the following:

The Integrated Reporting framework was revised in January 2021 to enable more decision-useful reporting. As a way of launching the new integrated reporting framework the International Reporting Committee of South Africa hosted a webinar on 20 January 2021.

In some parts of the world, shifting to international reporting is no longer optional as it is now a requirement of some regulatory bodies. In May 2021, the Securities and Exchange Board of India (SEBI) decided to introduce new a reporting requirement on Environmental, Social and Governance parameters called Business Responsibility and Sustainability reporting. This mandates all listed entities to comply with integrated reporting as it is part of the listing requirements.

Following revision of the integrated reporting framework, the Johannesburg Stock Exchange conducted an updated training on "Insights into Integrated Reporting" on 7 October 2021 which focused on explaining the main changes in the revised International Framework released in January 2021 and how they affect the integrated report. Integrated reporting was a topical issue at the

COP26 conference. IFRS Foundation Trustees made an announcement at COP26 – UN Climate Change Conference on 3 November 2021 on several areas. They announced the formation of the International Sustainability Standards Board to develop a comprehensive global baseline of sustainability disclosure standards for the world's financial markets. The Climate Disclosure Standards Board and the Value Reporting Foundation made a commitment to consolidate into the International Sustainability Standards Board. The technical readiness working group which was formed by the IFRS Foundation trustees published the prototype climate and general disclosure requirements.



Finally, the Integrated Reporting Committee of South Africa hosted an annual conference on 23 November 2021 on international developments in reporting titled "A practical look for preparers."

TAS has been in the process of adopting and developing tools for integrated reporting. As part of our initiatives, we came up with an integrated reporting capacitation plan and integrated reporting competence matrix to assist our valued clientele with capacitating their teams for integrated reporting and adoption of integrated reporting.

Going forward, TAS will be taking our journey in integrated reporting a step further; we intend to set up an integrated reporting committee which will be responsible for overseeing all integrated reporting affairs. TAS will also host webinars focusing solely on applying the new integrated reporting framework. We will also offer trainings tailored to specific client needs on preparation of integrated reports. Through these initiatives, TAS strives to keep the Zimbabwean market up to date with and on the same level as global reporting trends.



7. IPSAS Implementation

Worldwide, 84 countries have committed to adopting International Public Sector Accounting Standards (IPSAS). The countries that have committed to the adoption include developed economies such as Australia, New Zealand, Singapore, and Japan which have adopted full accrual accounting standards consistent with IPSASs. However, only a handful of African countries have adopted IPSASs. These include Rwanda, Tanzania, Uganda, Zambia, Algeria, Ghana, Nigeria, South Africa, Liberia, Morocco and Mauritania.

The International Public Sector Accounting Board's (IPSASB) strategic objective and work plan for the five-year period 2019-2023 is to strengthen Public Financial Management (PFM) globally through increasing adoption of accrual based IPSAS. This will be delivered through two main areas of activity, both of which have a public interest focus which are developing and maintaining IPSAS and other high quality financial reporting guidance for public sector and raising awareness of IPSAS and the benefits of accrual adoption.

To date the following projects were completed and or published during the 2019-2023 strategy and work program period:

- *non-authoritative amendments to IPSAS 5 Borrowing costs and IPSAS 41 Financial Instruments
- *Covid-19 Deferral of effective dates, collective and individual services, (Amendments to IPSAS 19)
- *Improvements to IPSAS, 2019
- *IPSAS 42 Social Benefits
- *Amendments to IPSAS 36 Investments in Associates and Joint Ventures and IPSAS 41 Financial Instruments

The following exposure drafts (ED) were published for commentary in the year 2021:

- *ED 76 conceptual framework
- *ED 77 Measurement
- *ED 78 property plant and equipment
- *ED 79 Non-current assets held for sale and discontinued operations.

TAS has played a key role in the journey to implementation of IPSAS in Zimbabwe, with initiatives such as:

- *Training public sector entities and stakeholders on IPSAS awareness
- *Training public sector entities on the implementation of IPSAS



tion of IPSAS

- *Providing public sector entities with a gap analysis on current reporting using current frameworks
- *IPSAS implementation guidance
- *IPSAS overview and accounting policies guidance

In addition to the above, TAS has been providing input/commentary on exposure drafts released by the IPSASB over the years and hosting webinars for the public sector on IPSAS and topical issues unique to the public sector in Zimbabwe.

Looking forward to 2022, TAS has webinars lined up for the public sector whose main focus is on increasing awareness and the implementation process/roadmap. We will also be offering tailor made trainings to suit entities' specific needs and continue to support our clientele on their road to implementation of the framework through guidance, reviews and further training.





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