



**The Institute of
Internal Auditors**
Zimbabwe

ELEVATING IMPACT

ANNUAL REPORT

2023/2024

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ABBREVIATIONS

AFIIA	-	African Federation of Institutes of Internal Auditors
AGM	-	Annual General Meeting
CAE	-	Chief Audit Executive
CIA	-	Certified Internal Auditor
CPE	-	Continuous Professional Education
CRMA	-	Certification in Risk Management Assurance
IAP	-	Internal Audit Practitioner
IAS	-	International Accounting Standards
IIASB	-	International Internal Audit Standards Board
IIA	-	Institute of Internal Auditors Global
IIAZ	-	Institute of Internal Auditors Zimbabwe
IFRS	-	International Financial Reporting Standards
QAR	-	Quality Assurance Review

ABOUT THE INSTITUTE OF INTERNAL AUDITORS ZIMBABWE (IIAZ)

Vision Statement

To ensure that internal audit professionals are recognised as indispensable to effective governance, risk management and control in Zimbabwe and beyond.

Mission Statement

The mission of the IIAZ is: "To lead the internal audit profession in Zimbabwe and enhance its value to stakeholders through empowered members."

Core Values

- | | | |
|---------------|----------------|------------------------------------|
| * Integrity | * Commitment | * Competence and Professional Care |
| * Objectivity | * Independence | * Diligence |

THE IIAZ, was established in 1988 as an affiliate chapter to the global Institute of Internal Auditors (IIA) (1941). The Institute of Internal Auditors (IIA) is the internal audit profession's global voice, recognized authority, acknowledged leader, chief advocate, and principal educator worldwide. The IIA serves members worldwide in internal auditing, governance, internal control, IT auditing, education, risk management, and security.

The world's leader in certification, education, research, and technological guidance for the profession, IIA sets the International Standards for the Professional Practice of Internal Auditing and provides various levels of accompanying guidance; certifies professionals through the globally recognized Certified Internal Auditor® (CIA®) and specialty certifications in government and financial services; presents leading-edge conferences, seminars for professional development; produces forward-looking educational products; offers quality assurance reviews, benchmarking, and consulting services; and creates growth and networking opportunities for specialty groups.

In support of quality, professionalism, and ethical practices, the IIA provides internal audit practitioners, executive management, boards of directors, and audit committees with guidance for internal auditing and governance best practices.

The IIAZ is dedicated to providing its members extensive support and services, so they can continue to add value across the board.

PRESIDENT'S REPORT FOR THE YEAR ENDED 31 MARCH 2024

It is my honour to account to you on the performance of the Institute for the year ended 31 March 2024. In spite of the economic constraints faced nationally during this period, it is fair to note that we have positive results before us. The IIAZ members have continued to place their trust in the Board, allowing us to manage member financial contributions effectively and provide services that enhance the skills of internal audit professionals. Our goal remains to ensure that these professionals add value to their organisations while staying relevant in a rapidly changing environment.

I want to express my sincere appreciation to the general IIAZ membership for their steadfast support throughout yet another demanding year. Like the previous year, this period was characterized by ongoing pressure on the local currency, limited access to foreign currency, a challenging trading environment, and persistent *inflationary pressures*. Despite

these obstacles, our members continued to fulfil their Institute's obligations in both local and foreign currency. However, it must be noted that as a member of a global body-some, remittances, including capitation fees, still needed to be paid in foreign currency.

At the inception of my tenure in September 2023, I presented the key objectives in a five-pillar structure my Presidency will seek to improve our institute with and I intend to account to you our performance in relation to those five pillars.

Pillar 1 – Strong and engaged community of members

Great strides have been made to create a strong and engaged community of members through frequent and engaging communications from both the Membership and Publicity Committee as well my office. Feedback has been fostered for all institutional events, from workshops to the annual dinner and conference where members are required and encouraged to feedback, and their concerns are accepted and acted upon to

create an Institute that the internal auditors envision.

As an engagement initiative myself and the CEO visited five audit shops in Harare namely; Delta Corporation, AFC Holdings, RBZ, POSB, the Ministry of Finance CIAU, and Old Mutual – that had four or more members in a bid to improve our stakeholder management efforts.

The Institute remains resolute in ensuring the development of a

strong and engaged community of members.

Pillar 2 – Growth and sustainability (members and revenues)

The membership for the year 01 April 2023 to 31 March 2024 saw a slight increase by 2% and the revenue (though in a hyperinflation environment) substantially increased from the year 2022/23 by nearly 300% and this was mainly attributable to the annual conference and gala which combined made over 50% of the revenue contribution for the year 2023/24 in both historical and inflation adjusted terms. The annual



Mr. T. Nyamazana – President : IIAZim

conference held in Victoria Falls had a substantial attendance level by 218 participants against 238 in 2022/23 and the annual dinner increased from 60 in 2022/23 to 150 in 2023/2024. CPE workshops and seminars, and membership subscriptions in that order were the other major revenue drivers contributing 28% and 13% in historical terms respectively.

I am pleased to inform you that, in the year 2023/24 The Institute recorded a surplus of ZWL2,689,936,464 in historical terms, was cash positive as at the year end and with a total balance of ZWL3,316,321,235 being cash on hand and in the bank.

Pillar 3 – Improving stakeholder relationship management and visibility for the profession and Institution

As part of improving stakeholder relationship management the Institute for the year 2023/24 presented awards to past presidents, key sponsors and long-serving members of Secretariat at the annual dinner held in October 2023 with an initiative of appreciating and improving relationships with these key players. There were improved strides in increasing social media presence particularly on Linked-in. The Board will continue to focus on strategies that enhance stakeholder relationship management and visibility of the profession. As part of the visibility of the profession and Institute drive, in December 2023, the Institute managed to conduct its first tree planting day in line with the National Tree Planting Day which is a drive towards afforestation in the country.

Pillar 4 – Improving efficiency and effectiveness of the Secretariat

The composition of Secretariat against the demand and duties of the Institute remains a challenge, with the current complement being three (3) members against an approved full complement of six (6) in 2022/23.

Opportunely, the three members have undertaken their duties diligently and contributed towards the efficiency of operations, managing to properly organise and ensure the success of seminars, workshops, annual events among other things. We understand the pressure that has been on the team and we will be addressing the staff shortages in the coming months. On behalf of the Board and indeed the entire membership, I applaud the sterling work that has been done by the Secretariat.

Pillar 5 – Taking volunteerism to another level by improving accountability and inclusivity

For the first time, members of the Institute applied for positions to serve in the Board Committees of which they wanted to participate in. This was done in an effort to increase engagement with members as well as encourage volunteerism and inclusivity within the Institute. As a sign of improved volunteerism, more than 50% of the members who volunteered to serve, are in more than one Board Committee. It is also important to note that everyone who applied on time whose application was received by Secretariat was allocated a committee to serve. Application for women and youthful people was encouraged as the Institute is cognisant of matters of Environment, Social and Governance (ESG) and the need for its implementation in order to ensure continuance and sustainability of the Institute. Currently our Board and Board Committees has made progress in ensuring the presence of young people and women from the past years. Notably, for the year 2023/24, we added two new Board Committees against the twelve (12) in 2022/3 namely Women in Internal Audit Committee and Ad Hoc Committee on Governance Instruments.

Outlook

The Board will continue to focus on strategies that enhance the five pillar model and aim to; (a) create a strong and engaged community of members (b) grow and sustain revenue and membership (c) improve stakeholder relationship management and visibility of the profession and institute (d) improve efficiency and effectiveness of Secretariat and (e) take volunteerism to another level by improving inclusivity and accountability.

saying, "The achievements of an organization are the results of the combined effort of each individual."

I would like to take this opportunity to thank my fellow Board members, Secretariat and members of all Board Committees for their exceptional efforts, voluntary contributions, and sacrifices in advancing the Institute's business. I also wish to extend my gratitude to all members and our stakeholders, for their ongoing support and contributions to both the Institute and the profession. I acknowledge that without each of all these key players, the pleasing results before us would not be as such.

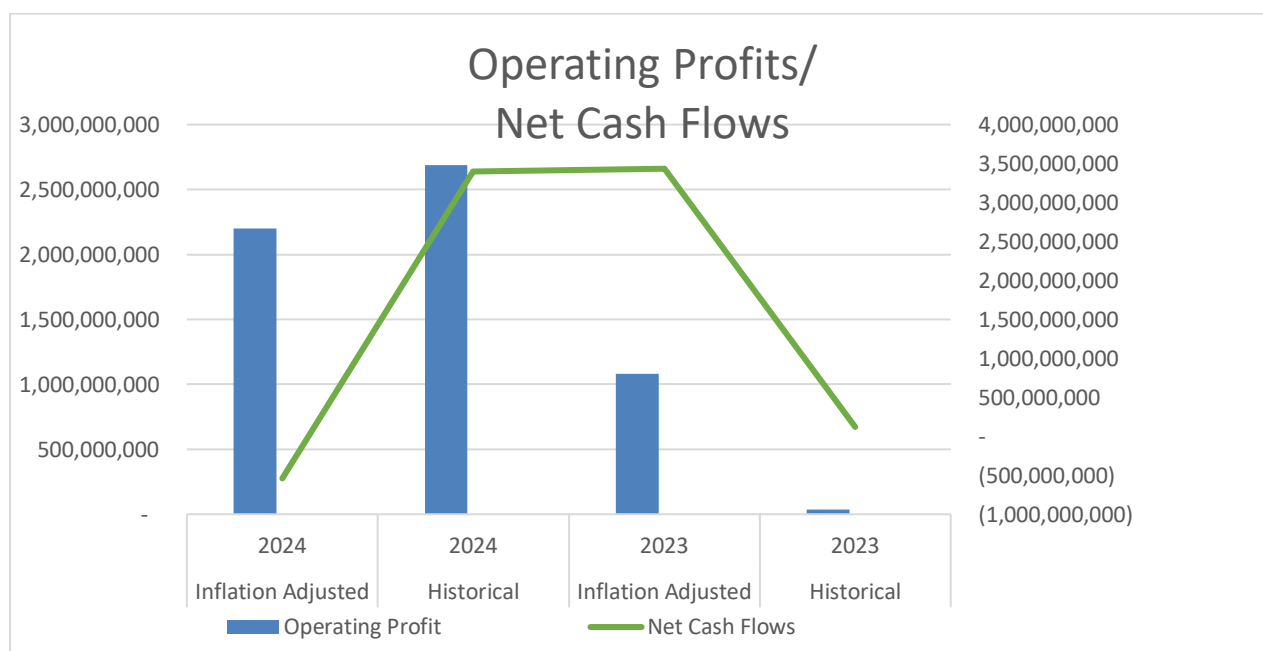
Tafireyi Nyamazana

PRESIDENT

Appreciation

Steve Jobs once said, "Great things in business are never done by one person; they're done by a team of people." And almost to that, Vince Lombardi reinforced

CHIEF EXECUTIVE OFFICER’S REPORT



Overview

The accomplishments of the past year would not have been possible without the unwavering support of the Presidium, Board members, Board Committee members, Secretariat staff, Institute members, and all stakeholders. We are deeply grateful to everyone who has contributed to the Institute’s growth, both financially and in terms of service offerings.

The Institute's operating surplus increased substantially from ZWL36.8m to ZWL2.6 Billion historically, and from ZWL1 Billion to ZWL2.1 Billion adjusted for inflation. This increase results mainly from the input of the annual conference, workshops and subscriptions.

Economic Outlook

Zimbabwe's economic outlook for 2023 and 2024 shows signs of recovery driven by key sectors, with projected growth and reduced inflation. The institute has been performing well, with a corresponding decline in inflation rates. However, the country faces significant risks and challenges such as the resurgence of COVID-19, adverse weather shocks, social unrest, and policy uncertainty. Despite these challenges, the Institute remains positive and continues to push through. The annual conference, a major source of revenue for the Institute, generated substantial profits, contributing 70% to the total income, and is expected to contribute even more to the development of the Institute.

**CHIEF EXECUTIVE OFFICER'S
REPORT (*continued*)**

Committees' Performance

All board committees have consistently contributed to the Institute's performance, as reflected in our financial results.

Upcoming Events

The Institute will continue to offer Continuing Professional Education (CPE) as outlined in the CPE calendar, and at least two seminars per year for Chief Audit Executives (CAEs). The 2023/24 annual

conference is scheduled to be held in Cape Town in September 2024.

I would like to extend my heartfelt gratitude to all members of the Institute and all stakeholders for their ongoing support of our operations and activities.

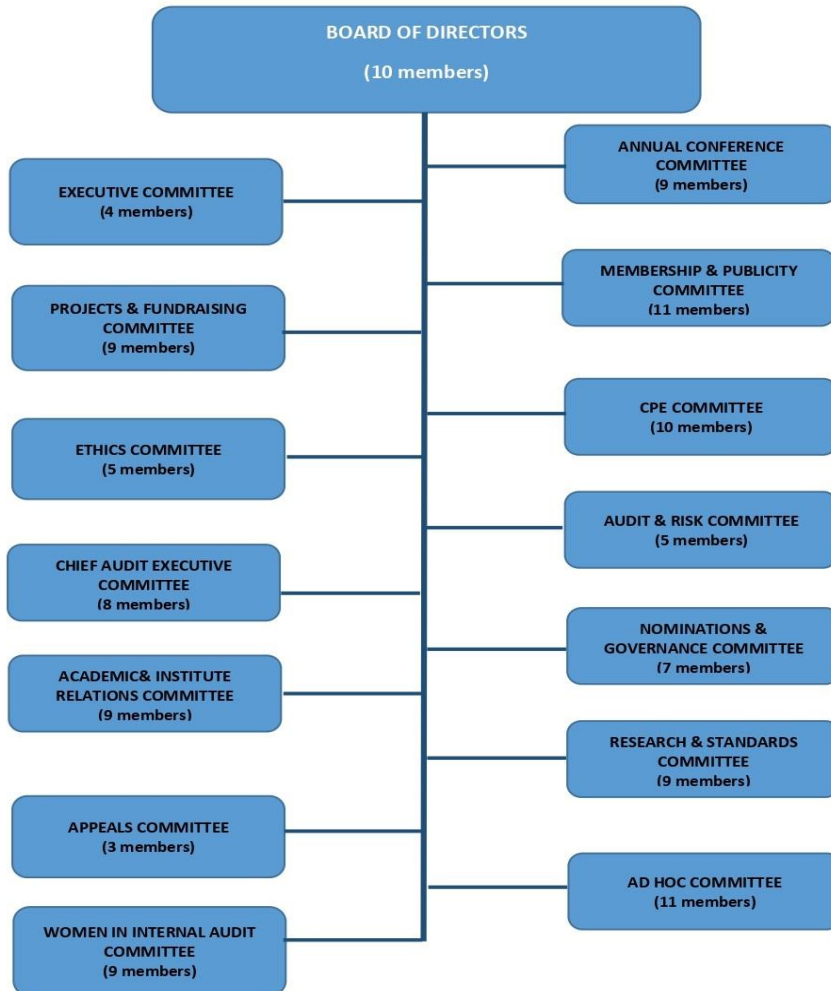
Mayepudzo Mbira

ACTING CHIEF EXECUTIVE OFFICER

CORPORATE GOVERNANCE REPORT

The IIAZ subscribes to the principles of discipline, independence, accountability, transparency, responsibility, integrity, fairness, and social responsibility, which are identified as the primary characteristics of good governance. The primary objective of any system of corporate governance is to ensure that directors and management running the Institute on behalf of members, carry out their responsibilities faithfully and effectively, placing the interests of the Institute and stakeholders ahead of their own. This process is facilitated through the establishment of appropriate reporting and control structures within the organisation. The Board believes that the Institute's governance practices are strong in all material respects.

Governance Structure



CORPORATE GOVERNANCE REPORT *(continued)*

Appointment of Board members

The board members are elected at either a general meeting of the Institute or a specially-called meeting for that purpose. They assume office after the election and serve for the specified term unless their terms expire or are terminated according to the Institute's Articles and Memorandum of Association and By-Laws. Whenever elections are required to be held, the Board calls for nominations from the general membership. The Nominations and Governance Committee reviews all nominations and applications, to ensure the candidates are eligible, are not disqualified in terms of the Companies and Other Business Entities Act (COBE) or Articles of Association, are in good standing, and have demonstrated their capacity and commitment to serving the institute in one or more volunteer capacities.

Composition of the board

In terms of the Articles and the By-laws, the maximum number of board members shall not exceed fifteen, including the two most recent past Presidents. Except for the President, First and Second Vice Presidents, all elected positions are general directorships with no fixed responsibilities.

Directorate and Executive Management

The Board of Directors of the Institute (the Board) retains full and effective control over the Institute. The Board meets regularly, at least quarterly, to review strategy, planning, operational performance, acquisitions and disposals, stakeholder communications, and other material matters relating to the performance of executive management. All of the directors of the Institute are non-executive, bringing objective judgment to bear on issues of strategy and performance. Decisions of a material nature are taken by the Board and senior management. Directors are entitled to seek independent professional advice in conducting the affairs of the Institute, at the Institute's expense, should they believe that the course of action is in the best interest of the Institute.

Financial Statements

The Board is responsible for preparing financial statements and other information presented in the annual report in a manner that fairly presents the state of affairs and results of the operations of the Institute. The external auditors are responsible for carrying out an independent examination of the financial statements per International Standards on Auditing and reporting their findings thereon.

CORPORATE GOVERNANCE REPORT *(continued)*

The annual financial statements contained in this report have been prepared per the International Financial Reporting Standards. They are based on appropriate accounting policies and are supported by reasonable and prudent judgments and estimates. The directors have no reason to believe that the Institute's operations will not continue as a going concern in the year ahead.

Risk Management and Internal Control

The Directors are accountable for the process of risk management and establishing appropriate risk and control policies. Executive management is responsible for the identification and evaluation of key risks applicable to their areas of business. The Institute maintains internal controls and systems designed to provide reasonable assurance on the integrity and reliability of financial statements and to adequately safeguard, verify and maintain accountability for its assets. Significant audit findings are reported to both Executive Management and the Audit Committee. Corrective action is taken to address internal control deficiencies identified in the execution of audit work.

Nothing has come to the attention of the Directors that indicates any material breakdown in the functioning of the key internal controls and systems during the period under review.

Directors' and Executive Remuneration

All Board members serve voluntarily and receive no remuneration for their work as directors. The Executive Committee has been delegated by the Board with the responsibility of determining the remuneration of the executive management. The chairperson of the committee is obliged to report to the Board on its deliberations. The remuneration policy is formulated to attract, retain and motivate top-quality talent in the best interests of the members.

Management Reporting

There is comprehensive management reporting discipline in place which includes the preparation of annual budgets, which are reviewed and approved by the Institute's Board of Directors. Monthly results and the financial status of the Institute are reported against approved budgets and compared to the prior year.

CORPORATE GOVERNANCE REPORT (*continued*)

Strategic Planning Process

In line with its mission to enhance the integrity, relevance, and standing of the profession and the Institute to provide outstanding professional developmental services to its members, the overall strategy for the IIAZ is focused. Annual strategic plans are compiled at strategy workshops attended by all Board members and Executive management, with detailed plans of action and allocated responsibilities. Progress is reviewed regularly at the Board and committee meetings to continuously align the Institute's operations to Board approved strategic goals.

Ethics

The Directors and employees are required to observe the highest ethical standards, ensuring that the business practices are conducted in a manner that, in all reasonable circumstances, is beyond reproach.

Board Committees

Once the members have elected a Board of Directors, the President appoints committees and chairpersons for such committees. Board committees meet quarterly under their terms of reference. The standing committees of the board are:

EXECUTIVE COMMITTEE

Composition

The committee was comprised of four members: the President (Tafireyi Nyamazana), Vice President (Godwin Kudumba), and past presidents (Richard Majilana and Tambudzayi Mawere).

Committee objectives

To assist the Board of Directors in the fulfilment of its responsibilities for overseeing the affairs of the Institute. The Committee acts for the Board in between meetings on any matters that require immediate action and therefore maintains continuing oversight of the operations of the Institute to ensure that activities are performed following approved plans and programs.

The key tasks assigned to the committee during the last IIAZ Strategic Review workshop were to:

CORPORATE GOVERNANCE REPORT (*continued*)

1. Continuously monitor the implementation of strategic action plans by Board committees and the secretariat.
2. Ensure the continued participation of IIAZ in global activities.

ETHICS COMMITTEE

Composition

Five members: Ivony Katsande (Chairperson), Casper Nduku, Charity Maduma, Garikayi Mbanda and Sikhumbuzo Moyo.

Committee objectives

To promote adherence to the Code of Ethics and to oversee the investigation and resolution of ethics-related matters reported to the Institute.

CHIEF AUDIT EXECUTIVE COMMITTEE

Composition

Eight members: Blessing Shumbamhini (Chairperson), Godwin Kudumba, Egnator B. Svosve, Ivony Katsande, Kudakwashe Masendu, Cynthia Matarutse, Admire Chipunza and Gilbert Makoni.

Committee objectives

1. To forge relationships among heads of internal audit for the primary purpose of promoting the role of the Institute of Internal Auditors; and
2. To promote the Internal Audit profession through:
3. Sharing ideas on how to improve internal auditing recognition with organisations and the economy at large.
4. Contribute to the competency, recognition, and professionalism of internal auditors.
5. Advocate the value and recognition of IIA internal audit certifications to all stakeholders nationally.

CORPORATE GOVERNANCE REPORT (*continued*)

ANNUAL CONFERENCE COMMITTEE

Composition

Nine members: Benson Mavu (Chairperson), Tafireyi Nyamazana, Blessing Shumbamhini, Goodwell Pakanenga, Bothwell Ndove, Faith Chitsato, Matirasa Banda, Calma Chanetsa and Clariator Chikwanha.

Committee objectives

To organize the speakers, topics, venue and any other matters relating to the hosting of the Institute's Annual Conference and the Annual Dinner.

CONTINUOUS PROFESSIONAL EDUCATION (CPE) COMMITTEE

Composition

Ten members: Benson Mavu, (Chairperson), Clariator Chikwanha, Casper Nduku, Troubles Masiyiwa, Ivony Katsande, Meshack Mushayavanhu, Tapiwe Moyo, Company Jembere, Agnes Muzavazi and Godwill Chihwayi.

Committee objectives

1. To promote IIA's global certification programs that:
 - 1.1 Are recognized as the global benchmark for the profession.
 - 1.2 Contribute to the competency, recognition, and professionalism of internal auditors;
 - 1.3 Advocate the value and recognition of IIA internal audit certifications to all stakeholders nationally.
2. To promote continuing professional development programs to internal audit practitioners.

Certifications

The Committee continues to encourage internal audit practitioners to take up IIA certifications that are aimed at strengthening their knowledge base, deepening their competencies, and distinguishing them from their peers. The Committee congratulates and recognizes the following members who received certifications during the year under review.

CORPORATE GOVERNANCE REPORT (continued)

CIA

- Pauline Jima
- Ngonidzashe Matanga
- Elisheba Chimbwanda
- Eginator B. Svosve
- Nyasha Charandura
- Mucharemba Kahombe
- Albert Chimbohwei
- Tinashe Matyoramhinga

CIA

- John Ziki
- Godfrey Sithole
- Rumbidzai Mabhandi
- Cheneso Msipa
- Shadreck Manyenyeni
- Blessing Tabviroona
- Yemurai Nyamutswana

CRMA

- Graham Svisvah

MEMBERSHIP & PUBLICITY COMMITTEE

Composition

Eleven members: Blessing Shumbamhini (Chairperson), Gorejena T. Chiseve, Clariator Chikwanha, Evans Chingezi, Faith Chitsato, Goodwell Pakanengwa, Calma Chanetsa, Travor Mahlanze, Tapiwe Moyo, Charity Rija and Edwin Chinenyanga.

Committee objectives

1. To develop internal and external communication channels for the Institute.
2. To maintain the regular publication of the IIAZ magazine/ newsletter.
3. To be responsible for membership drive, membership administration, classes of membership, admission requirements, database creation, and maintenance.
4. To promote the Institute's visibility, and
5. To increase membership by identifying potential members and their development.

Current Membership status is as follows:

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Honorary membership	1	5	3	3	3	3	5	5	5	5	5
General	562	556	566	587	798	728	615	523	629	620	631
Total	563	561	569	590	801	731	620	528	634	625	636

CORPORATE GOVERNANCE REPORT (*continued*)

PROJECTS & FUNDRAISING COMMITTEE

Composition

Nine members: Mucharemba Kahombe (Chairperson), Mercy Chimhuka, Goodwell Pakanengwa, Jerry Mutimukulu, Jonathan January, Marshall Mvula, Patrick Nengomasha, Cledwyn Sengurai and Kilford Muchemwa.

Committee objectives

To provide guidance and assistance to the Institute with funding and implementation of capital projects and ad hoc decision-making related to the development of the Institute premises. The Committee may, from time to time, be called upon to provide advice on fundraising activities for the IIA's operations.

ACADEMIC AND INSTITUTE RELATIONS COMMITTEE

Composition

Ten members: Rumbidzai Musiyiwa (Chairperson), Godwin Kudumba, Alex Nzenza, Troubles Masiyiwa, Trevor Mahlanze, Jerry Mutimukulu, Mathamsanqa Zikhali, Claudious Matizira, Joseph Mapungwana and Kelvin Mushayiweddu.

Committee objectives

To develop and support relationships through educational programs among practitioners, educators, students, educational institution administrators, and business/government communities, which enhance knowledge, skills, understanding, and use of internal auditing.

RESEARCH AND STANDARDS COMMITTEE

Composition

Nine members: Richard Majilana (Chairperson), Mucharemba Kahombe, Daniel Kafaso, Cledwyn Sengurai, Meshack Mushayavanhu, Joseph Chidembo, Lucy Tsikisayi, Tariro Chingosho, and Claudious Matizira.

CORPORATE GOVERNANCE REPORT (*continued*)

Committee objectives

To serve the public interest by assisting the International Internal Audit Standards Board (IIASB) in developing, issuing, maintaining and promoting the International Standards for the Professional Practice of Internal Auditing (Standards) on a worldwide basis. The committee reviews exposure drafts and participates in research for standard setting and topics of interest to its stakeholders.

The key tasks assigned to the committee during the current year were to:

1. Continue to raise awareness and promote Quality Assurance Reviews.
2. Carry out Quality Assurance Reviews.
3. Represent the Institute on standard research and development
4. Participate in local policy-setting forums.

AUDIT AND RISK COMMITTEE

Composition

Five members: Charity Maduma (Chairperson), Gilbert Makoni, Cledwyn Sengurai, Ruvimbo Tugwetwe and Tinashe Hondoyachepa.

Committee objectives

To assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process and the Institute's process for monitoring compliance with laws and regulations and the code of conduct. Other areas covered include the review of important accounting issues, including specific disclosures in the financial statements and a review of the major audit recommendations. The external auditors have unrestricted access to this committee.

NOMINATIONS AND GOVERNANCE COMMITTEE

Composition

Seven members: Tambudzayi Mawere (Chairperson), Richard Majilana, Simon Nyazenga, Barnabas Vera and Alois Makamure, Munyaradzi Tachivona and Tafireyi Nyamazana.

CORPORATE GOVERNANCE REPORT (*continued*)

Committee Responsibilities

1. To keep in contact with IIAZ members, especially new and active members, to identify prospective talent for various IIAZ posts.
2. To maintain a database of potential IIAZ officers, committee chairs, and Board of Directors for future nominations.
3. To keep in touch with the IIAZ officers and committee chairs to maintain a continuing evaluation of the capabilities, interests, and performance of officers and committee members.
4. To meet several times during the IIAZ year before formal nominations are required to consider in depth the potential candidates for nomination.
5. To confirm with candidates their availability to accept any position for which nominees have been considered.
6. To make recommendations to the board that will promote the optimum IIAZ health in terms of membership resources and utilization.
7. In preparation for the IIAZ annual general meeting, ensure that appropriate ballots are readily available in the event that they are required.
8. To prepare a succession plan for all IIAZ officers and committee positions; and
9. To maintain a file of pertinent records and correspondence concerning nominees and transfer this to the succeeding Nominating Committee after each IIAZ year.

ADHOC ON GOVERNANCE ISSUES COMMITTEE

Composition

Ten members: Masikeni L. Chiwaka (Chairperson), Mercy Chimhuka, Khumbulani Mucheto, Charity Maduma, Ruvimbo Tugwete, Cynthia Matarutse, Nomore Mubaira, Maxwell Chigangaidze, Evans Chingezi and Ephraim Sibanda.

Committee Responsibilities

The Ad Hoc Committee on Governance Instruments was established to express purpose of conducting a comprehensive review and update of the Institute of Internal Auditors Zimbabwe (IIAZ) governance instruments.

1. To thoroughly assess the existing governance instruments of the IIAZ to identify areas that require revision or enhancement considering recent changes in the legal and regulatory landscape, as well as evolving best governance practices.

CORPORATE GOVERNANCE REPORT (*continued*)

2. To align the IIAZ's governance documents with the current requirements and recommendations of AFIIA and IIA Global, ensuring that the Institute remains at the forefront of governance excellence within the internal auditing profession.
3. To engage with stakeholders, including IIAZ members, governance experts, and legal advisors, to gather insights and feedback that will inform the revision process.
4. To develop and propose amendments or new governance instruments that encapsulate the necessary changes, ensuring that the IIAZ's governance structure is transparent, and accountable, and enables effective oversight.
5. To present the recommended governance instruments to the relevant IIAZ authorities for consideration and approval, facilitating a smooth transition to the updated framework.
6. To provide guidance and support in the implementation of the approved changes, ensuring that all members and stakeholders are informed and equipped to operate within the new governance parameters.

WOMEN IN INTERNAL AUDIT COMMITTEE

Composition

Nine members: Tambudzayi Mawere (Chairperson), Mercy Chimhuka, Mathamsanqa Zikhali, Khumbulani Mucheto, Calma Chanetsa, Egnator B. Svosve, Cynthia Matarutse, Charity Rija and Lucy Tsikisayi.

Committee objectives

1. Provide programs and initiatives designed to retain and engage existing and re-engage lapsed female members through social, on-course, competition, and networking activities.
2. Provide opportunities for women to develop their leadership skills.
3. Develop a vision/mission statement for WIAC, to be agreed upon by the IIAZ board and shared with WIAC members.
4. Advocate for women as part of good governance, leadership, and decision-making for female internal audit professionals and beyond.

CORPORATE GOVERNANCE REPORT (*continued*)

APPEALS COMMITTEE

Composition

Three members: Alois Makamure (Chairperson), Godwin Kudumba, and Simon Nyazenga.

Committee objectives

1. Review all submitted appeals thoroughly and impartially.
2. Ensure all relevant information and documentation are considered.
3. Conduct hearings or meetings as necessary to gather additional information.
4. Make decisions based on the evidence presented and in accordance with ethical policies.
5. Communicate decisions to the appellant and relevant parties on time.

BOARD AND COMMITTEE MEETINGS

The Board and Committees meet quarterly. These meetings are scheduled according to a board calendar which is approved by the Board Chairperson. Additional board and committee meetings, apart from those planned, are convened as circumstances dictate.

The following are the Board and Committee meetings attendances during the year:

CORPORATE GOVERNANCE REPORT (continued)

Member	Board	Executive Committee	Audit & Risk Committee	Academic & Institute Relations Committee	Nominations & Governance Committee	Research & Standards Committee	Annual Conference Committee	Membership & Publicity Committee	Appeals Committee	Ethics Committee	Projects & Fundraising Committee	CPE Committee	Chief Audit Executive Committee	Ad hoc & Governance Committee	Women in Internal Audit Committee
Number of meetings held	1	3	1	1	3	1	1	1	1	1	1	1	1	1	1
Tafireyi Nyamazana	1	3/3	n/a	n/a	1/3	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Richard Majilana	1	3/3	n/a	n/a	3/3	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tambudzayi Mawere	1	3/3	n/a	n/a	3/3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1
Godwin Kudumba	1	3/3	n/a	1/1	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	1/1	n/a	n/a
Mucharemba Kahombe	1	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a
Benson Mavu	1	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a
Gurajena Tapfuma Chise	1	n/a	n/a	n/a	n/a	n/a	n/a	0/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Blessing Shumbamhini	1	n/a	n/a	n/a	n/a	n/a	1/1	1/1	n/a	n/a	n/a	n/a	1/1	n/a	n/a
Charity Maduma	1	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	1/1	n/a
Clariator Chikwanha	1	n/a	n/a	n/a	n/a	n/a	1/1	1/1	n/a	n/a	n/a	1/1	n/a	n/a	n/a
Daniel Kaniso	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bothwell Ndove	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Garikayi Mbanda	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a
Troubles Masiyiwa	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a
Casper Nduku	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	1/1	n/a	n/a	n/a
Barnabas Vera	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Alois Makamure	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a
Munyaradzi Tachivona	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Simon Nyazenga	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a
Masekeni L. Chiwaka	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a
Rumbidzai Musiyiwa	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mercy Chimhuka	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	1/1	1/1
Cynthia Matarutse	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	1/1	1/1
Ruvimbo Tugwete	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a
Ephraim Sibanda	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a
Maxwell Chigangaidze	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a
Evans Chingezi	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Khumbulani Mucheto	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	1/1
Nomore Mubaira	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0/1	n/a
Joseph Mapungwana	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a
Faith Chitsato	n/a	n/a	n/a	n/a	n/a	n/a	1/1	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Goodwell Pakanengwa	n/a	n/a	n/a	n/a	n/a	n/a	1/1	1/1	n/a	n/a	1/1	n/a	n/a	n/a	n/a
Matirasa Banda	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Calma Chanetsa	n/a	n/a	n/a	n/a	n/a	n/a	1/1	1/1	n/a	n/a	n/a	n/a	n/a	n/a	1/1
Alex Nzenza	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Travor Mahlanze	n/a	n/a	n/a	1/1	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Kelvin Mushayiwedu	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jerry Mutimukulu	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a
Mathamsanqa Zikhali	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1
Claudious Matizira	n/a	n/a	n/a	1/1	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Admire Chipunza	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a
Ivony Katsande	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	1/1	1/1	n/a	n/a
Egnator B. Svosve	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	1/1
Kudakwashe Masendu	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a
Gilbert Makoni	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a
Meshack Mushayavanhu	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a
Company Jembere	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a
Agnes Muzavazi	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a
Tapiwe Moyo	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	1/1	n/a	n/a	n/a
Godwill Chihwayi	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a
Sikhumbuzo Moyo	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a
Charity Rija	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	1/1
Edwin Chinenyanga	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cledwyn Sengurai	n/a	n/a	1/1	n/a	n/a	1/1	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a
Tinashe Hondoyachepa	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jonathan January	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a
Marshall Mvula	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a
Patrick Nengomasha	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a
Kilford Muchemwa	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a
Joseph Chidembo	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lucy Tsikisayi	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1/1
Tariro Chingosho	n/a	n/a	n/a	n/a	n/a	1/1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a



To be a Member,
Means More



The Institute of
Internal Auditors
Zimbabwe



We **believe** in your **Dream**
of **Excelling** in your **Internal Auditing Profession**.

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+263 774 163 667/+26324(2)313287

www.theiia.org/en/affiliates/ia-zimbabwe

FINANCE REPORT FOR THE YEAR ENDED 31 MARCH 2024

Financial Highlights

Performance Indicator	Inflation Adjusted			Historical		
	2024 ZWL	2023 ZWL	% change	2024 ZWL	2023 ZWL	% change
Total Income	47 807 565 347	13 445 749 631	256%	6 058 482 729	401 232 724	1410%
Total Expenses	(27 607 716 840)	(11 936 477 094)	131%	(3 368 546 266)	(364 393 276)	824%
Net Surplus	20 199 848 507	1 509 272 537	1238%	2 689 936 463	36 839 448	7202%
Total assets	39 824 233 978	27 036 281 394	47%	16 932 444 430	874 591 876	1836%
Net Current assets	3 292 962 834	1 311 371 498	151%	2 725 322 397	40 117 301	6693%
Net cash inflow from operating activities	(95 236 761)	3 556 085 049	-103%	3 430 031 379	124 886 656	2647%
Cash and cash equivalents	3 528 622 476	4 068 335 819	-13%	3 528 622 476	132 224 250	2569%

Financial Performance

Major Revenue Source	Inflation Adjusted			Historical		
	2024 ZWL	2023 ZWL	% change	2024 ZWL	2023 ZWL	% change
Membership subscriptions	5 054 783 651	1 469 461 172	244%	487 616 671	38 393 713	1170%
Workshops and seminars	7 954 862 321	1 822 767 305	336%	1 096 136 831	51 306 866	2036%
Annual Conference and dinner	20 022 332 794	8 172 342 154	145%	2 102 829 911	253 318 345	730%
Total	33 031 978 766	11 464 570 631	188%	3 686 583 413	343 018 924	975%

Operating Environment

The economy faces several challenges, including substantial exchange rate depreciation, high inflation, unsustainable debt levels, unemployment, limited access to credit, and unfavorable climatic conditions. The country is facing ongoing challenges such as foreign currency shortages, fluctuating exchange rates, high borrowing interest rates, and a hyperinflationary environment. Like other economic players, the Institute and its stakeholders are striving to navigate these economic conditions while maintaining uncompromised service to stakeholders.

FINANCE REPORT FOR THE YEAR ENDED 31 MARCH 2024 (continued)

Membership numbers have slightly increased from 625 to 636 although members and their organisations face some economic challenges. The Institute extends its gratitude to its members and their organisations and remains committed to providing uninterrupted service to all members and stakeholders.

We applaud members who completed their IIA certification programs during the year. One obtained the Risk Management Assurance (CRMA) Certification and fifteen Certified Internal Auditors (CIA). We congratulate all members who were certified during the year and wish the best to members studying to attain the IIA certifications.

The Institute managed to record a net surplus of income over expenditure of ZWL20 199 848 507 (2022/23 – ZWL1 509 272 537) adjusted for inflation.

Assets

The Institute closed the year with a positive cash and cash equivalents balance of ZWL 3 528 622 476 (2022/23 – ZWL132 224 249) and a net current assets position of ZWL2 725 322 396 (2022/23 – ZWL40 117 297).

Audit

The financial statements were audited by BDO Chartered Accountants Zimbabwe who were appointed as the Institute's auditors at the 2023 Annual General Meeting. Audit fees for the year were US\$ 4,700 (2022/23 – US\$4, 616).

The Institute calls on all its members and stakeholders to continue with the support they have extended in prior years.

Tafireyi Nyamazana

Tafireyi Nyamazana

BOARD CHAIRPERSON



Mayepudzo Mbira

ACTING CHIEF EXECUTIVE OFFICER

26 August 2024

FINANCE REPORT FOR THE YEAR ENDED 31 MARCH 2024 (continued)

AUDITED FINANCIAL STATEMENTS

Country of incorporation and domicile

Zimbabwe

Nature of business and principal activities

The main purpose of the Institute is to provide a platform for the education and advancement of the internal auditor and the internal audit profession as well as being the medium of exchange of ideas and information among internal auditors in Zimbabwe.

Board of Directors

Tafireyi Nyamazana - President
Godwin Kudumba - Vice President
Benson Mavu
Mucharemba Kahombe
Blessing Shumbamhini
Gorejena Tapfuma Chiseve
Charity Maduma
Clariator Chikwanha

Ex-officio Directors (Past Presidents)

Richard Majilana
Tambudzayi Mawere

Acting Chief Executive Officer

Mayepudzo Mbira

Postal address

P O Box 6170, Harare

Bankers

First Capital Bank Limited
FBC Bank Limited

Auditors

BDO Chartered Accountants Zimbabwe

Company registration number

3347/2009

INDEX TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The reports and statements set out below comprise the financial statements presented to the members:

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STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023	32
STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME ...	33
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DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies and Other Business Entities Act (Chapter 24:31) to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Institute at the end of the financial year and the results of its operations and cash flows for the year that ended, in conformity with International Financial Reporting Standards and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Institute and place considerable importance on maintaining a strong control environment. To enable management to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of fraud or error cost-effectively. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures, and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Institute and all employees are required to maintain the highest ethical standards in ensuring the Institute's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Institute is on identifying, assessing, managing and monitoring all known forms of risk across the Institute. While operating risk cannot be fully eliminated, the Institute endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems, and ethical behavior are applied and managed within predetermined procedures and constraints.

The directors believe, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, but not absolute, assurance against material misstatement or loss.

In preparing the financial statements, the directors are responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

The directors have assessed the ability of the Institute to continue operating as a going concern and believe that the preparation of the financial statements on a going concern basis

DIRECTORS' RESPONSIBILITIES AND APPROVAL (*continued*)

is still appropriate. The external auditors are responsible for independently auditing and reporting on the Institute's financial statements. The financial statements and related notes have been audited by the Institute's external auditors and their report is presented on pages 26 to 28.

The financial statements and the related notes set out on pages 31 to 51, which have been prepared on a going concern basis, were approved by the Board of Directors and were signed on its behalf by:

Tafireyi Nyamazana



Tafireyi Nyamazana

Mayepudzo Mbira

PRESIDENT

ACTING CHIEF EXECUTIVE OFFICER

Date: 26 August 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE INSTITUTE OF INTERNAL AUDITORS (ZIMBABWE)

Opinion

We have audited the financial statements of the Institute of Internal Auditors (Zimbabwe) set out on pages 32 to 54, which comprise the statement of financial position as at 31 March 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Institute of Internal Auditors Zimbabwe as at 31 March 2024, its financial performance, and its cash flows for the year that ended following the International Financial Reporting Standards.

Basis for Opinion

We conducted our audit following International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Institute following the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B), together with other ethical requirements that are relevant to our audit of financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities following these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

In common with similar organisations (subscription funded), the Institution derives a substantial portion of its income from subscriptions, which cannot be fully controlled until they are recorded in the accounting records. Accordingly, our examination did not extend beyond receipts recorded but we are not aware of any circumstances which would indicate that subscription income has not been brought into account.

Responsibilities of the Board of Directors for the financial statements

The Institute's directors are responsible for the preparation of the financial statements following International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Institute's directors are responsible for assessing the Institute's ability to continue operating as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted per ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on the financial statements.

As part of an audit per ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Institute's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Institute.
- Conclude on the appropriateness of the Institute's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue operating as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

BDO Zimbabwe
Chartered Accountants
Precious Charandura CA(Z)

Partner

Registered Public Auditor

PAAB Registration Number:

Kudenga House

3 Baines Avenue

Harare

26 August 2024

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	INFLATION-ADJUSTED		HISTORICAL COST	
		2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Assets					
Non-Current Assets					
Property and equipment	5	34 844 786 329	22 374 717 126	12 984 772 238	727 196 653
Current Assets					
Inventories	6	322 810 335	36 252 347	64 070 127	120 544
Trade and other receivables	7	1 128 014 838	556 976 102	354 979 589	15 050 428
Cash and cash equivalents		3 528 622 476	4 068 335 819	3 528 622 476	132 224 250
		4 979 447 649	4 661 564 268	3 947 672 192	147 395 223
Total Assets		39 824 233 978	27 036 281 394	16 932 444 430	874 591 876
Reserves and Liabilities					
Reserves					
Revaluation reserve		33 645 409 354	21 392 565 136	12 977 653 369	724 809 150
Retained income		4 492 339 809	2 293 523 488	2 732 441 266	42 504 802
		38 137 749 163	23 686 088 624	15 710 094 635	767 313 952
Current Liabilities					
Trade and other payables	8	142 493 670	209 074 727	142 493 670	6 795 100
Deferred income	9	1 412 923 618	1 807 401 262	948 788 598	57 135 934
Provisions	10	131 067 527	1 333 716 781	131 067 527	43 346 888
		1 686 484 815	3 350 192 770	1 222 349 795	107 277 922
Total Reserves and Liabilities		39 824 233 978	27 036 281 394	16 932 444 430	874 591 876

The financial statements were approved by the Board of Directors, authorized for issue on 26 August 2024 and signed on its behalf by:

Tafireyi Nyamazana

Tafireyi Nyamazana
PRESIDENT



Mayepudzo Mbira
ACTING CHIEF EXECUTIVE OFFICER

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		INFLATION-ADJUSTED		HISTORICAL COST	
		2024	2023	2024	2023
		ZWL	ZWL	ZWL	ZWL
Note					
	Revenue	34 234 294 673	11 799 000 716	3 889 827 447	353 552 880
	Other income	13 573 270 674	1 646 748 915	2 168 655 282	47 679 844
	Total Income	47 807 565 347	13 445 749 631	6 058 482 729	401 232 724
	Operating expenses	(27 607 716 840)	(11 936 477 094)	(3 368 546 266)	(364 393 276)
	Surplus for the year	20 199 848 507	1 509 272 537	2 689 936 463	36 839 448
	Monetary loss	(18 001 032 186)	(427 422 848)	-	-
	Surplus for the year	2 198 816 321	1 081 849 689	2 689 936 463	36 839 448
	Other comprehensive income				
	Gains on property revaluation	12 252 844 218	12 617 849 751	12 252 844 219	600 644 516
	Total comprehensive income for the year	14 451 660 539	13 699 699 440	14 942 780 682	637 483 964

STATEMENT OF CHANGES IN RESERVES

Inflation Adjusted	Non distributable reserves ZWL	Retained income ZWL	Total reserves ZWL
Balance at 01 April 2022	8 774 715 356	1 211 673 799	9 986 389 155
Surplus for the year	-	1 081 849 689	1 081 849 689
Revaluation surplus	12 617 849 780	-	12 617 849 780
Balance at 31 March 2023	21 392 565 136	2 293 523 488	23 686 088 624
Surplus for the year	-	2 198 816 321	2 198 816 321
Revaluation surplus	12 252 844 218	-	12 252 844 218
Balance at 31 March 2024	<u>33 645 409 354</u>	<u>4 492 339 809</u>	<u>38 137 749 163</u>

Historical Cost	Non distributable reserves ZWL	Retained income ZWL	Total reserves ZWL
Balance at 01 April 2022	124 164 635	5 665 354	129 829 989
Surplus for the year	-	36 839 448	36 839 448
Revaluation surplus	600 644 515	-	600 644 515
Balance at 31 March 2023	724 809 150	42 504 802	767 313 952
Surplus for the year	-	2 689 935 464	2 689 935 464
Revaluation surplus	12 252 844 219	-	12 252 844 219
Balance at 31 March 2024	<u>12 977 653 369</u>	<u>2 732 440 266</u>	<u>15 710 093 634</u>

STATEMENT OF CASHFLOWS

Institute of Internal Auditors (Zimbabwe)
Annual Report for the year ended 31 March 2024

for the year ended 31 March 2024

	Note	INFLATION ADJUSTED		HISTORICAL COST	
		2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Cash flows from operating activities					
Surplus for the year		2 198 816 321	1 081 849 689	2 689 935 463	36 839 448
Adjustments for:					
Depreciation charge		221 672 426	108 653 351	23 322 615	3 064 441
Loss on write-off of non current assets/Assets impairment		5 579 171	-	5 579 171	-
Movements in provisions		(1 202 649 253)	1 176 279 030	87 720 6378	40 619 327
Cash generated from operations before working capital changes		1 223 418 666	2 366 782 069	2 806 558 887	80 523 216
Working capital changes (Increase)/decrease in inventories		(286 557 988)	64 796 888	(63 949 583)	1 279 338
(Increase) in trade and other receivables		(571 038 736)	(369 124 162)	(339 929 160)	(11 788 781)
(Decrease)/Increase in trade and other payables		(66 581 057)	203 207 212	135 698 570	6 693 447
(Decrease)/Increase in deferred income		(394 477 644)	1 290 423 042	891 652 665	48 179 436
Net cash generated from operating activities		(95 236 761)	3 556 085 049	3 430 030 379	124 886 656
Cash flows from investing activities					
Purchase of property, plant and equipment		(444 476 582)	(122 452 479)	(33 633 153)	(3 658 457)
Net cash from investing activities		(444 476 582)	(122 452 479)	(33 633 153)	(3 658 457)
Net increase in cash and cash equivalents		(539 713 343)	3 433 632 570	3 396 397 226	121 228 199
Cash and cash equivalents at the beginning of the year		4 068 335 819	634 703 248	132 224 250	10 996 050
Cash and cash equivalents at the end of the year	14	3 528 622 476	4 068 335 819	3 528 621 476	132 224 250

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION.

1.1 Nature of the business

The main purpose of the Institute is to provide a platform for the education and advancement of the internal auditor and internal audit profession as well as be the medium of exchange of ideas and information among internal auditors in Zimbabwe.

1.2 Functional and presentation currency

The financial statements have been presented in Zimbabwe Dollars ('ZWL'), being the functional and presentation currency.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared following International Financial Reporting Standards (IFRS). The IFRSs are Promulgated by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB as well as the Standing Interpretations Committee (SIC).

2.2 Basis of measurement

The financial statements are prepared from books and records maintained under the historical cost- convention and are restated to take into account the effects of inflation following the International Accounting Standard 29 (Financial Reporting in Hyperinflationary Economies). The historical cost financial information has been restated for changes in the general purchasing power of the Zimbabwean Dollar (ZWL\$). Accordingly, the inflation-adjusted financial statements are the primary financial statements of the Institute. Historical cost financial statements have been provided by way of supplementary information.

IAS 29 requires that the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that the corresponding figures for the comparative periods be stated in the same terms. The financial statements and the corresponding figures for the

NOTES TO THE FINANCIAL STATEMENTS (*continued*)

previous year have been restated to take account of the changes in the general purchasing power of the Zimbabwe dollar. The restatement is based on conversion factors derived from the Zimbabwe Consumer Price Index (CPI) compiled by the Reserve Bank of Zimbabwe from the figures provided by the Zimbabwe National Statistics Agency (ZIMSTATS). The indices and conversion factors used are as follows.

Month	Indices	Conversion Factors
March-23	13 949.99	30.7685
March-24	429 219.62	1.0000

2.3 Changes in accounting policies and interpretations

New Standards, Interpretations, and Amendments Effective and Not Yet Effective

a) New standards, interpretations, and amendments effective from 1 January 2023

The following amendments are effective for periods beginning 1 January 2023:

IFRS 17 Insurance Contracts.

- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes),
- and
- International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income Taxes) (effective immediately upon the issue of the amendments and retrospectively). These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after 1 January 2023. See the applicable notes for further details on how the amendments affected the Institute.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

b) New and revised standards in issue but not yet effective There are several standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Institute has decided not to adopt early. These amendments are effective for the periods beginning on or after 1 January 2024. The Institute has not carried an assessment of whether the new standards and amendments will have a material impact on its financial statements. The following amendments are effective for periods beginning 1 January 2024:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8).
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12). The following amendments are effective for periods beginning 1 January 2024:
 - IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback);
 - IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current); and
 - IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants).

2.4 Revenue

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Institute's activities. The Institute recognises revenue when the amount of revenue can be reliably measured, future economic benefits will probably flow to the Institute and specific criteria have been met for each of the Institute's activities as described below.

Subscriptions

Member subscriptions are recognised as income on a pro-rated basis throughout the year. Membership application fees are non-refundable and are recognised as income when received.

Seminars and workshops

Seminar and conference fees are recognised as income in the period in which the event is conducted.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Annual conference and dinner

Annual conference and dinner fees are recognised as income in the period the event is conducted.

Quality assurance fees

Quality assurance fees are recognised as income in the period engagement is completed.

Study and promotional materials

Revenue from the sale of study and promotional materials is recognised when goods have been delivered to the customer.

2.5 Property and equipment

An item of property and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the institute, and the cost of the item can be measured reliably.

Property and equipment are initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate. Subsequently, property, plant, and equipment are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Any revaluation increase arising on the revaluation of property, plant, and equipment is recognised in other comprehensive income and accumulated in revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of property, plant, and equipment is charged to profit or loss to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Institute. Leased assets are depreciated consistently over the shorter of their expected useful lives or the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The depreciation rates for items of property and equipment have been assessed as follows:

Item	Depreciation method	Depreciation rate
Building	Straight line	2.5%
Furniture and fixtures	Straight line	20%
Motor vehicles	Straight line	20%
Office equipment	Straight line	20%
IT equipment	Straight line	33%

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in the accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

arising from the de-recognition of an item of property and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the de-recognition of an item of property and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Donated assets are capitalized on receipt at estimated market values as established by the Directors.

2.6 Employee benefits

2.6.1 Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered, and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

2.6.2 Defined Contribution Plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

2.8 Financial instruments

Classification

The Institute classifies financial assets and financial liabilities into the following categories:

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the for the year ended 31 March 2024 13 difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

2.9 Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

2.10 Inventories

Inventories are initially recognised at cost. Cost comprises costs incurred to acquire inventories, such as direct materials and, where applicable direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Inventories are subsequently measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method from the date of purchase or manufacture of the inventory items.

2.11 Non-Distributable Reserves

Non distributable reserves comprise of values of assets that were in existence in 2009 which were converted from Zimbabwean Dollar to United States Dollar values through currency revaluation.

2.12 Provisions and Contingencies

Provisions are recognised when:

- the Institute has a present obligation as a result of a past event.
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the obligation.
- If an entity has an onerous contract, the present obligation under the contract shall be recognised and measured as a provision.

3. TAX

The Institute is exempt from income tax as it is a non-profit making institution.

4. CRITICAL JUDGEMENTS IN APPLYING THE INSTITUTE'S ACCOUNTING POLICIES.

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgments include:

NOTES TO THE FINANCIAL STATEMENTS (continued)

(a) Impairment of trade receivables

The Institute assesses its trade receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in the statement of profit or loss, the Institute makes judgments in determining the probability of non-payment. The probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables.

(b) Impairment of property and equipment

The Institute assesses its property and equipment for impairment at each reporting date. Impairment testing is an area involving management judgment, requiring assessment as to whether the carrying amount of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections that have been discounted at an appropriate rate.

(c) Going concern assessment

The Institute assesses its going concern at each reporting date. Going concern assessment is an area involving management judgment requiring assessment as to whether the carrying amount of the assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate.

d) Fair value measurement

The assets of the Institute are subsequently measured using the revaluation model. This measurement basis requires the determination of the fair value. The measurement of the Institute's assets utilizes market observable inputs and data as far as possible.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

5. PROPERTY, PLANT AND EQUIPMENT

INFLATION ADJUSTED	Land ZWL	Buildings ZWL	Furniture and fixtures ZWL	Motor vehicles ZWL	Office equipment ZWL	IT equipment ZWL	Capital work-in- progress ZWL	Total ZWL
Carrying amount as 31 March 2022	4 708 535 175	4 430 441 145	170 353 333	247 413 173	83 658 443	39 259 748	63 407 231	9 743 068 247
Gross carrying amount - cost	4 708 535 175	4 444 772 383	177 188 760	286 886 639	92 232 842	52 135 362	63 407 231	9 825 158 392
Accumulated depreciation	-	(14 331 238)	(6 835 428)	(39 473 466)	(8 574 399)	(12 875 614)	-	(82 090 145)
Revaluation surplus	7 684 210 038	4 377 886 748	288 003 195	279 345 475	30 431 971	(12 587 436)	(29 440 240)	12 617 849 751
Depreciation	-	(55 578 413)	(12 946 166)	(26 076 450)	(7 121 174)	(6 931 148)	-	(108 653 351)
Additions	-	125 861 994	5 203 653	-	25 353 914	-	(33 966 991)	122 452 479
Carrying amount as 31 March 2023	12 392 745 213	8 878 611 474	450 614 016	500 682 199	132 323 154	19 741 163	-	22 374 717 126
Gross carrying amount - cost	12 392 745 213	8 878 611 474	450 614 016	500 682 199	132 323 154	19 741 163	-	22 374 717 126
Accumulated depreciation	-	-	-	-	-	-	-	-
Revaluation surplus	5 022 528 329	6 673 580 897	332 080 977	85 664 775	35 415 174	103 574 066	-	12 252 844 218
Impairment	-	-	-	(5 579 171)	-	-	-	(5 579 171)
Additions	-	-	-	-	116 776 718	327 699 864	-	444 476 582
Depreciation	-	(70 377 327)	(29 541 530)	(78 456 041)	(17 730 878)	(25 566 650)	-	(221 672 426)
Carrying amount as 31 March 2024	17 415 273 542	15 481 815 043	753 153 463	502 311 761	266 784 168	425 448 443	-	34 844 786 329
Gross carrying amount - cost	17 415 273 542	15 481 815 043	753 153 463	502 311 761	266 784 168	425 448 443	-	34 844 786 329
Accumulated depreciation	-	-	-	-	-	-	-	-

Property, plant, and equipment were revalued as at 31 March 2024 by external valuers. The revalued carrying amounts were determined using the Gross Replacement basis and open market values.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Property, Plant and Equipment (continued)

HISTORICAL COST								Total ZWL
	Land ZWL	Buildings ZWL	Furniture and fixtures ZWL	Motor vehicles ZWL	Office equipment ZWL	IT equipment ZWL	Capital work-in- progress ZWL	
Carrying amount as 31 March 2022	62 100 673	58 862 616	1 710 661	1 463 247	374 982	347 432	1 098 512	125 958 123
Gross carrying amount - cost	62 100 673	58 896 100	1 728 677	1 540 032	488 531	466 899	1 098 512	126 319 425
Accumulated depreciation	-	(33,484)	(18 016)	(76 785)	(113 549)	(119 467)	-	(361 302)
Revaluation surplus	340 673 708	227 202 412	13 127 629	15 540 968	3 611 020	488 778	-	600 644 516
Additions	-	4 070 453	170 410	-	516 106	-	(1 098 512)	3 658 457
Depreciation	-	(1 573 328)	(363 376)	(731 634)	(201 497)	(194 606)	-	(3 064 441)
Carrying amount as 31 March 2023	402 774 381	288 562 153	14 645 323	16 272 582	4 300 611	641 604	-	727 196 654
Gross carrying amount - cost	402 774 381	288 562 153	14 645 323	16 272 582	4 300 611	641 604	-	727 196 654
Accumulated depreciation	-	-	-	-	-	-	-	-
Revaluation surplus	5 022 528 329	6 673 580 897	332 080 977	85 664 775	35 415 174	103 574 066	-	12 252 844 219
Impairment	-	-	-	(5 579 171)	-	-	-	(5 579 171)
Additions	-	-	-	-	4 211 653	29 421 500	-	33 633 153
Depreciation	-	(7,214,054)	(3 102 019)	(8 136 291)	(1 801 483)	(3 068 768)	-	(23 322 615)
Carrying amount as 31 March 2024	5 425 302 710	6 954 928 995	343 624 281	88 221 895	42 125 955	130 568 402	-	12 984 772 238
Gross carrying amount - cost	5 425 302 710	6 954 928 995	343 624 281	88 221 895	42 125 955	130 568 402	-	12 984 772 238
Accumulated depreciation	-	-	-	-	-	-	-	-

Property, plant & equipment are stated at their revalued amounts being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

6. INVENTORY

	Inflation Adjusted		Historical cost	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Promotional merchandise and educational material	322 810 335	36 252 347	64 070 127	120 544

NOTES TO THE FINANCIAL STATEMENTS (continued)

	Inflation Adjusted		Historical cost	
	2024	2023	2024	2023
7. TRADE AND OTHER RECEIVABLES	ZWL	ZWL	ZWL	ZWL
Trade receivables	4 998 621	77 132 823	4 998 621	2 506 880
Provision for bad debts	(60 677 227)	(61 336 329)	(1 187 829)	(1 846 931)
Staff debtors	-	139 224 580	-	4 524 913
Other receivables	1 183 693 444	401 955 028	351 168 797	9 865 566
	1 128 014 838	556 976 102	354 979 589	15 050 428
Movement in allowances for credit losses:				
Opening balance	61 336 329	9 184 384	1 846 931	151 950
Change during the year	(659 102)	52 151 946	(659 102)	1 694 981
Closing balance	60 677 227	61 336 329	1 187 829	1 846 931

In accordance with International Financial Reporting Standard 9, an expected credit loss assessment was performed on trade receivables and resulted in a decrease in the provision of ZWL659 102 (2023 increase of ZWL1 694 981) being raised at year-end.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

8. TRADE AND OTHER PAYABLES	Inflation Adjusted		Historical	
	2024	2023	2024	2023
	ZWL	ZWL	ZWL	ZWL
Sundry creditors	142 493 670	209 074 727	142 493 670	6 795 100

9 DEFERRED INCOME	Inflation Adjusted		Historical	
	2024	2023	2024	2023
	ZWL	ZWL	ZWL	ZWL
Deferred income consists of subscription and membership fees paid in advance by members. The annual movements were as follows:				
Opening Balance	1 807 401 262	516 978 218	57 135 934	8 956 498
Additional amounts received during the year	3 249 923 347	1 834 398 027	1 174 842 671	59 174 834
Amount utilized during the year	(3 569 602 278)	(577 493 092)	(283 190 007)	(10 995 398)
Effects of IAS 29	(74 798 713)	33 518 109	-	-
Closing balance at year-end	1 412 923 618	1 807 401 262	948 788 598	57 135 934

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

10 PROVISIONS

**INFLATION ADJUSTED
Reconciliation of provisions -
2024**

	Opening balance	Movement	Closing balance
Leave pay	45 131 631	38,243,274	83 374 905
Audit fees	1 107 664 361	(1 068 689 361)	38 975 000
Bonus	180 920 788	(172 203 166)	8 717 622
	1 333 716 780	(1 202 649 253)	131 067 527

**Reconciliation of provisions -
2023**

Leave pay	73 229 107	(28 097 476)	45 131 631
Audit fees	74 249 572	1 033 414 789	1 107 664 361
Bonus	9 959 072	170 961 717	180 920 789
	157 437 751	1 176 279 030	1 333 716 781

**HISTORICAL COST
Reconciliation of provisions -
2024**

Leave pay	1 466 815	81 908 090	83 374 905
Audit fees	36 000 000	2 975 000	38 975 000
Bonus	5 880 074	2 837 548	8 717 622
	43 346 889	87 720 638	131 067 527

**Reconciliation of provisions -
2023**

Leave pay	1 268 673	198 142	1 466 815
Audit fees	1 286 352	34 713 648	36 000 000
Bonus	172 538	5 707 536	5 880 074
	2 727 563	40 619 326	43 346 888

NOTES TO THE FINANCIAL STATEMENTS (continued)

	Inflation Adjusted		Historical	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
11 REVENUE				
Annual conference and dinner	20 022 332 794	8 172 342 154	2 102 829 911	253 318 345
Membership subscriptions received	5 054 783 651	1 469 461 172	487 616 671	38 393 713
Quality assurance review fees	737 044 741	140 901 245	64 967 858	4 653 177
Registration and re-registration fees	465 271 166	192 543 542	138 276 176	5 848 756
Study and promotional materials	-	985 298	-	32 023
Workshops and seminars	7 954 862 321	1822 767 305	1 096 136 831	51 306 866
	34 234 294 673	11 799 000 716	3 889 827 447	353 552 880

12 OTHER INCOME

Interest received	96 075 052	224 095 238	5 425 834	7 043 493
Exchange rate variance	13 128 660 553	990 689 990	2 133 107 707	29 645 558
Sundry income	348 535 069	431 963 686	30 121 741	10 990 793
	13 573 270 674	1 646 748 915	2 168 655 282	47 679 844

13 OPERATING EXPENSE

The following items are included within operating expenses:

Administration expenditure	8 201 903 354	3 536 642 895	1 230 078 955	104 896 016
Annual conference and dinner	14 772 312 680	5 957 504 002	1 558 669 046	184 258 378
Audit fees	555 998 960	1 192 694 647	33 350 000	38 112 715
Allowance for credit losses	1 035 879	52 151 946	1 035 879	1 694 981
Board expenses	24 180 049	4 746 003	3 317 080	148 248
Cost of materials sold	70 298 851	73 786 508	10 196 045	2 171 031
Depreciation	221 672 425	108 653 382	23 322 615	3 065 028
IIA Global membership	104 634 112	140 300 522	24 313 107	3 904 595
International trips and conferences				
Quality assurance review costs	270 527 698	101 184 986	27 646 688	3 224 318
Workshops and seminars	3 385 152 832	768 812 203	456 616 851	22 917 966
	27 607 716 840	11 936 477 094	3 368 546 266	364 393 276

NOTES TO THE FINANCIAL STATEMENTS (continued)

14 CASH AND CASH EQUIVALENTS				
Cash and cash equivalents consist of:				
Cash on hand	101 962 455	866 523 646	101 962 455	28 162 729
Bank balance	3 214 358 780	2 129 424 614	3 214 358 780	69 208 046
Short term investment	212 301 241	1 072 387 559	212 301 241	34 853 475
	3 528 622 476	4 068 335 819	3 528 622 476	132 224 250

The Institute made additional investments of ZWL250,050,000 in the current year (2023 - ZWL80,000,000) and withdrew ZWL73,781,493 (2023 - ZWL58,554,097) from the money market fund in the financial year. The funds are administered by Old Mutual Unit Trust, NMB Bank Limited, First Capital Bank Limited and FBC Bank Limited. The investments generated interest of ZWL5,425,834 (2023 - \$6,959,917) for the period ended 31 March 2024.

15. FINANCIAL RISK MANAGEMENT

Risk management in general

The Institute's risk management is coordinated in close cooperation with the management board and focuses on actively securing the Institute's short to medium-term cash flows by minimizing the exposure to financial risks. The Institute does not actively engage in the trading of financial assets for speculative purposes. The Institute is exposed to risks that arise from its use of financial instruments. This note describes the Institute's objectives, policies, and processes for managing those risks and methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements. There have been no substantive changes in the Institute's exposure to financial instrument risks, its objectives, policies, and processes for managing those risks or the methods used to measure them from the previous periods unless otherwise stated in this note.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15.1 Principal financial instruments

The principal financial instruments used by the Institute from which financial instrument risk arises, are as follows:

- a) Trade and other receivables.
- b) Cash and cash equivalents, and
- c) Trade and other payables.

General Objectives, Policies, and Processes

The management board has overall responsibility for the determination of the Institute's risk management objectives and policies. The Institute's management board reviews the risk management policies and processes.

A summary of the financial instruments held by category is provided as follows:

	Inflation Adjusted 2024		Historical 2024	
	ZWL	2023	ZWL	2023
	ZWL	ZWL	ZWL	ZWL
Financial assets				
Cash and cash equivalents	3 528 622 476	4 068 335 819	3 528 622 476	132 224 250
Trade and other receivables	1 128 014 838	556 976 102	354 979 589	15 050 428
	4 656 637 314	4 625 311 921	3 883 602 065	147 274 678
Financial liabilities				
Trade and other payables	142 493 670	209 074 727	142 493 670	6 795 100

15.2 Credit risk

Financial assets that potentially subject the Institute to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. Debtors are spread over a number of members with different risk profiles. Accordingly, the Institute has no significant concentration of credit risk. The Institute's cash and cash equivalents are placed with high-quality financial institutions.

15.3 Foreign exchange risk

Foreign exchange risk arises when the Institute enters into transactions denominated in a currency other than the functional currency (ZWL). The Institute's policy is, where possible,

NOTES TO THE FINANCIAL STATEMENTS (continued)

to settle liabilities denominated in the functional currency with the cash generated in that currency.

16. LIQUIDITY RISK

This is the risk of insufficient liquid funds being available to cover commitments. To mitigate any liquidity risk that the Institute faces, the Institute's policy has been to maintain substantial unutilised facilities throughout the year ended 31 March 2024. The liquidity risk exposure concerning financial liabilities is set out below:

	Up to 3 months	Between 3 and 12 months	Over 12 months	Total
	ZWL	ZWL	ZWL	ZWL
As at 31 March 2024				
Trade and other payables	142 493 670	-	-	142 493 670
As at 31 March 2023				
Trade and other payables	6 742 338	52 762	-	6 795 100

17. PENSIONS

All employees are members of the National Social Security Authority Scheme which is a contributory pension scheme. The scheme is administered by the National Social Security Authority. This scheme was promulgated under the National Social Security Authority Act of 1989. The Institute's obligations under the scheme are limited to specific contributions as legislated from time to time and are presently 4.5% of pensionable emoluments per employee per month.

	2024	2023	2024	2023
	ZWL	ZWL	ZWL	ZWL
National Social Security contributions	84 007 437	1 843 324	9 160 557	1 545 564

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

18. RELATED PARTIES

Entity	Nature of transactions
The Institute of Internal Auditors USA	IIA Zimbabwe is the local chapter of The Institute of Internal Auditors USA, the driving force in internal audit related research and training, and the promoter of the Code of Ethics and the norms guiding the profession in Zimbabwe.

19. EVENTS AFTER THE REPORTING DATE

19.1 Introduction of a new structured currency

The RBZ introduced a structured currency, known as Zimbabwe Gold (ZiG) with effect from 5th April 2024, replacing the Zimbabwean dollar (ZWL). Zimbabwe Gold (ZiG) currency is backed by a composite basket of foreign currency and precious metals held as reserves by the Central bank. All Zimbabwe dollar balances shall be converted to the new currency and the swap rate will be guided by the closing interbank exchange rate and the price of gold as at 5 April 2024. Per IAS 10 events after the reporting date, the event does not warrant an adjustment on the current set of financial statements.

19.2 Approval of financial statements

These financial statements were approved by the Board for issue on 26 August 2024.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given of an Annual General Meeting (AGM) of the Institute of Internal Auditors (Zimbabwe) as follows: -

Date: Thursday 19 September 2024

Venue: The President Hotel, Cape Town

Time: 1600 hours

Agenda

Consideration and adoption of minutes of the Annual General Meeting held on 22 September 2023.

1. Matters arising from minutes of the Annual General Meeting held on 22 September 2023.
2. President's report for the period ended 31st March 2024.
3. Consideration and approval of the audited financial statements for the period ended 31 March 2024.
4. To approve the remuneration of auditors and to consider the reappointment of BDO Chartered Accountants as auditors for the ensuing year.
6. To elect officers of the Institute for the period September 2024 to September 2025.
7. To elect directors in terms of the Articles of Association of the IIAZ.

By Order of the IIAZ Board

Mayepudzo Mbira

Acting Secretary

PROXY FORM FOR THE ANNUAL GENERAL MEETING

For use at the Annual General Meeting to be held at the President Hotel, Cape Town on Thursday 19 September 2024 at 1600 hours.

I.....
.....

being a member of the and entitled to vote at any general meeting of the Institute do hereby appoint.....
.....

or failing
him/her.....
.....

or failing them the chairman of the meeting as my proxy to vote on my behalf at the Annual General Meeting of the Institute to be held on the 19th of September 2024 and at any adjournment thereof.

Signed:.....Date:.....

Address:.....
.....
.....
.....

QUALITY ASSESSMENT REVIEWS

. . . a step towards world-class internal auditing

QAR is a process where the Institute of Internal Auditors Zimbabwe (IIAZ) assigns an independent, experienced internal audit practitioner to help executive management assess the organisation's Internal Audit function's conformance with the definition of Internal Auditing and the Standards and its application of the IIA Code of Ethics.

The QAR program also helps organisations to:

- Assess the efficiency and effectiveness of their Internal Audit function and identify opportunities for improvement.
- Have the Chief Audit Executive (CAE) state that the Internal Audit function conforms with the International Standards for the Professional Practice of Internal Auditing (IIA Standards) if the results of the QAR support this statement.

The Internal Audit Activity conforms to the Standards when it achieves the outcomes described in the Definition of Internal Auditing, Code of Ethics, and Standards. IIA Standards require an Internal Audit Activity to have an External Assessment conducted at least once every five years by an externally qualified, independent reviewer or review team.

Your QAR Partner

The IIA established the benchmark for internal audit performance through a series of Standards. To ensure that your Internal Audit Activity conforms to the IIA Standards, you must establish a Quality Assurance and Improvement Program. An external QAR facilitates the transformation of an Internal Audit Activity into a more strategic business and value-adding partner. The process identifies improvement opportunities and provides counsel to the CAE and staff for improving their performance and services, as well as

promoting the image and credibility of the Internal Audit Activity.

Benefits of a quality assurance review include:

- Providing an opinion regarding conformance with the spirit and intent of the standards.
- Determining how effective and efficient the internal audit function is against its charter and stakeholder expectations.
- Outlining specific improvement opportunities and providing a prioritized action plan.
- Enhancing internal audit's credibility within the organization.
- Authority to state that internal audit activity "conforms to the IPPF of Internal Auditing"
- Builds stakeholder confidence by documenting commitment to quality and successful leadership practices and the internal auditors' mind-set for professionalism.
- Provides evidence to the board management and staff that the audit committee and the internal audit activity add value to the organisation.

GET YOUR EXTERNAL QUALITY ASSESSMENTS FROM A TRUSTED SOURCE: IIAZ Quality Services

To learn more about external quality assessments receive a free no-obligation proposal or learn more about establishing and maintaining a quality assurance and improvement program, contact:

- Email : iiazim@iwayafrica.co.zw
- Land line : +263 242 313286/7



Raising

the ethical climate in Zimbabwe's businesses

The Institute of Internal Auditors Zimbabwe is in the business of;

- Training internal auditors to make them competent on their job.
- Providing a platform for members to become certified.
- Provide standards upon which internal auditors can base their work on.
- Carry out quality assurance reviews for audit departments.
- Advocacy work for the institute and its members.
- Internal auditor placement.
- Keep members abreast of emerging issues in internal auditing by carrying out research.



The Institute of
Internal Auditors

Zimbabwe