

FIRST Initiative

Zambia

Zambia Institute of Banking and Financial Services

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Training Needs Analysis and Training and Education Strategy ©

June 2007



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Abbreviations and Acronyms

Currencies - November 2006

1USD = 3970 Zambian kwachas

1GBP = 7552.54 Zambian kwachas

Abbreviations

AAIOB	Alliance of African Institutes of Banking
ABC	African Banking Corporation
ACCA	Association of Chartered Certified Accountant
ALM	Asset and Liability Management
BAZ	Banker's Association of Zambia
BBZ	Barclays Bank of Zambia
BOC	Bank of China
BFSA	Banking and Financial Services Act
BoZ	Bank of Zambia
BSA	Building Societies Act
CBU	Copperbelt University
CEO	Chief Executive Officer
CIB	Chartered Institute of Bankers
CIMA	Chartered Institute of Management Accountants
CPD	Continuing Professional Development
DFI	Development Finance Institutions
DBZ	Development Bank of Zambia
FAB	First Alliance Bank
FIRST	The Financial Sector Reform and Strengthening Initiative
FSDP	Financial Sector Development Plan
FX	Foreign Exchange
GDP	Gross Domestic Product
HFI	Housing Finance Institution
HIPC	Highly Indebted Poor Country Initiative
IACET	International Association for Continuing Education and Training
IAIS	International Association of Insurance Supervision
IAS	International Accounting Standards
IBC	Intermarket Banking Corporation
IBS	Kuwait Institute of Banking Studies
ILDA	Integrated Learning and Development Activities
IMF	International Monetary Fund
IOB	Institute of Bankers
KCM	Konkola Copper Mines
LuSE	Lusaka Stock Exchange

MDRI	Multilateral Debt Relief Initiative
MFI	Microfinance Institution
MoFNP	Ministry of Financial and National Planning
MoU	Memorandum of Understanding
NAPSE	National Pensions and Social Security Agency
NBFI	Non Bank Financial Institutions
NGO	Non Governmental Organisation
NSCB	National Savings and Credit Bank
PM	Proposal Memorandum
PIA	Pensions and Insurance Authority
ROA	Return on Asset
ROE	Return on Equity
SAP	Structural Adjustment Programme
SME	Small and Medium Enterprise
SWOT	Strength, Weakness, Opportunities and Threats
TNA	Training Needs Analysis
ZCAS	Zambia Centre for Accountancy Studies
ZIBC	Zambia insurance Business College
ZIBFS	Zambia Institute of Banking and Financial Services
ZICA	Zambia Institute of Chartered Accountants
ZIOB	Zambia Institute of Bankers
ZRA	Zambia Revenue Authority
ZSIC	Zambia State Insurance Corporation

Disclaimer

This report has been prepared by Tony Grier and Nathan De Assis (as consultants for Enterplan Limited) for FIRST Initiative. The views expressed herein are those of the authors and do not necessarily represent the views of Enterplan, First Initiative or ZIBFS

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Executive Summary

Background

With the aim of strengthening the banking and finance profession in Zambia, FIRST Initiative (FIRST) and the Zambian Institute of Banking and Finance (ZIBFS) agreed to a training needs analysis (TNA) of the sector. In effect, the ZIBFS requested assistance of FIRST for a review of the syllabi of its certification programme and whether the syllabi meet the banking and finance sector requirements and international best practices. A scoping mission was carried out by a team of international and local consultants and the outcome was an agreed TNA report, a training and education strategy, and the terms of reference for implementation of that strategy.

ZIBFS was established in 1992 to provide education and training for the banking profession in Zambia. The Institute is most known for its certification programme which contains three stand-alone qualifications: certificate, diploma, and degree. The Institute does not offer courses for the qualifications *per se* but delegates this activity to approved training and academic institutions throughout the country. The degree programme is offered in affiliation with Copperbelt University. Exams are held twice a year at various locations around the country. The process is managed by the Institute's staff. The Institute offers open training courses on a non-regular basis.

TNA Findings

ZIBFS syllabi no longer respond fully to the requirements of the banking and finance sector in Zambia and fall short of international best practices. In terms of study materials and textbook availability, these are put together by the various training and academic institutions which offer primarily the certificate and diploma programmes. The result is non-uniform materials support for programme participants; the exams, however, are identical for all. Although textbook recommendations are featured on each course syllabus, their availability and sometimes their relevancy are thrown into question.

In addition to topic overlap across the syllabi, exams do not correspond to course syllabus topics in some cases. Exam questions contain errors or omissions which calls into question the role of moderators selected by the Institute to check for language and consistency.

There is a disconnect between what the syllabi teaches and the actual needs of the banking and finance community. Discussions with bankers, for instance, indicated that certificate or diploma holders were weak in the knowledge of banking despite relevant topics embedded in the curriculum.

The open training programme suffers due to inadequate staff capacity. Indeed, the Institute's examination process is at the centre of staff activity. Their limited number forces mobilisation of effort on one activity at a time. This also negatively impacts the marketing of workshop and seminar offerings within the training programme.

Conclusions

The ZIFBS represents a valuable brand in education among banking and finance professionals in Zambia. It should not be allowed to lapse and fall into irrelevancy. It is

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perceived as a beacon of learning and a key vehicle to keeping up with international best practices in the field of financial services.

However, the ZIBFS brand has been weakened over the years through lack of strategic focus, poor control over the certification programme, and an absence of uniform study materials. Standards have fallen and the quality of outputs has been compromised. This should not prevail in a market whose prospects point to sustained growth in the coming years.

Recommendations

In order to enhance the capacity of ZIFBS to fulfil its mission, we recommend as urgent:

- A curriculum development programme which would have as first step the development of study materials for the certification programme core courses and, as a second step, the development of specialised courses to complement and extend the body of knowledge offered by the diploma programme.
- A strategy for textbook selection, financing, and availability logistics.
- A marketing strategy, complete with a marketing professional, to grow the training programme and boost the certification programme.

and in the longer term:

- Affiliation and/or accreditation with an internationally recognised programme or institution.
- A two-prong diploma programme, one offering core courses and the other allowing specialisation in subjects pertinent to market interests.
- Better infrastructure and staffing rationalisation in line with the image of a professional organisation.

1 | **Scope of Assignment**

1 | Scope of Assignment

Background

1 The Zambia Institute of Banking and Financial Services (hereafter referred to as ZIBFS or the Institute), approached FIRST Initiative (FIRST) requesting assistance in revising the syllabi of the certificate, diploma, and degree programmes in banking and finance. According to the Institute, the need has arisen to revise the syllabi of the certificate, diploma, and degree programmes to be in line with the banking and finance sector's requirements and international best practices. To achieve the above, the Institute needs resources: to revise and develop effective systems for periodical updates of the syllabi; to review Banking and Finance human resource needs; to develop up-to-date continuing professional development programmes (CPDs); and to produce study manuals and textbooks.

2 Through a Proposal Memorandum (PM), FIRST proposed that a scoping trip and training needs analysis be undertaken to get a better understanding of training requirements within the industry, develop a training and education strategy for the ZIBFS and prepare detailed terms of reference for subsequent work.

3 This project will be coordinated within the implementation programme for Zambia's Financial Sector Development Plan (FSDP). FIRST will consider implementing the agreed recommendations from this project in co-ordination with other donors within the FSDP framework.

Project Goal and Purpose

4 The goal of the project is to strengthen the banking and finance profession in Zambia.

5 The purpose of the project is to conduct a training needs analysis and develop a training and education strategy for the ZIBFS.

Key Project Outputs

6 Key outputs of the project are:

- training needs analysis;
- training and education strategy, including a feasibility study and financial viability analysis;
- terms of reference for implementation of the training and education strategy including recommendations of skills required by potential consultants; and
- draft project memorandum in FIRST format, for agreed elements of further FIRST work.

Terms of Reference

7 This project will require the expertise of an International Consultant with considerable experience in educational strategy, teaching/training and course design. The consultant should also have a strong understanding of professional qualifications and programmes in the banking and finance sector as well as experience in carrying out similar projects. It is expected that the international consultant will work with a Local Consultant, who will assist in drafting and contributing local industry knowledge.

8 FIRST expects that this project will involve approximately four working weeks of the International Consultant's time (up to three in Zambia and one in the Consultant's home country) and three weeks of the Local Consultant's time.

The consultants will:

- Review comments made by the donors consulted in preparing the project.
- Explore with the Alliance of African Institute of Bankers options for leveraging this work and also to see how work done in other countries might be used to benefit this project.
- Review the existing curricula, examinations and the certification process itself, in order to get an idea of departures from international best practice and the remedial measures required.
- Review current professional human resource situation within the banking sector in Zambia. This should include a review of the number of certified bankers, relative to the number of financial institutions to assess the relative shortage of banking professionals in the industry.
- Conduct interviews with ZIBFS, former and current trainees and key stakeholders within the industry to get feedback on the existing issues with the available training.
- Consult with relevant committee of FSDP dealing with banking sector matters.
- Undertake a training needs analysis, distinguishing between education, professional training and continuing professional learning.
- Undertake a feasibility review. This should consider the demand for and use of the proposed training, current and projected, by the financial community; and the possibility to link efforts with other organisations.
- Undertake a financial viability analysis to consider whether ZIBFS is sustainable over the long term or how sustainability can be achieved.
- Develop a training and education strategy for ZIBFS's educational programme and an action plan for implementing this strategy.
- Develop outlines of courses for the various programmes recommended.
- Develop terms of reference (including phasing, sequencing, estimated man days and budget required) for a project to implement the curriculum development programme.
- Draft project memorandum in FIRST format for agreed elements of FIRST's work.

Methodology

9 In keeping with the FIRST PM, a scoping mission and training needs analysis (TNA) was undertaken in October/November 2006 to obtain a better understanding of the needs of the Banking and Finance industry in Zambia. The outcome of the mission and TNA enabled the drafting of a training and education strategy for the ZIBFS and terms of reference for subsequent work.

10 The project methodology included field interviews, review of documents provided by ZIBFS and other interviewees, and pre- and post-field trip research on Zambia's economy, its financial sector, and training practices by similar institutes in other countries.

11 The consultants held in-person interviews with ZIBFS staff, past and present, commercial banks, training and educational institutions involved in ZIBFS certification programme, insurance sector representatives, individual lecturers, examiners, and exam moderators, other stakeholders such as the Bankers Association of Zambia and the Lusaka Stock Exchange and government officials representing the Central Bank and the Ministry of Finance. The results of the TNA are, therefore, somewhat biased in favour of interviewee opinions and points of view.^{1/}

12 To offset that bias, the consultants used experience gained from previous TNA assignments, documents with objective content supplied by the interviewees, and direct observation of the ZIBFS staff at work. This was supplemented by documents and Internet research in the field of financial training and bank training centres or institutes in countries such as Ghana, Kuwait, Pakistan, and South Africa.

13 The resultant TNA and training and education strategy is consistent with the goal of the project, which is to strengthen the banking and finance profession in Zambia. The consultants were guided by three issues: the sustainability of the Institute, the relevance of its current programmes to the target markets, and the growth in student/participant levels within the proposed training and education strategy.

^{1/}

A complete list of those interviewed is given in Appendix 1 (including a map of Zambia) and summary meeting reports are set out in Appendix 2.

2 | Economic Overview of Zambia

2 Economic Overview of Zambia

14 After almost two decades of economic distress, Zambia's performance has improved in the last five years. This important progress reflects improved economic management, with the government's medium term macroeconomic objectives being met with some measure of success.

15 Foreign investment, high copper prices and aid cash have pushed the kwacha unexpectedly high. Inflation which was 30 percent some five years ago has fallen to under 10 percent for the first time in years (on a year-to-date basis, overall inflation slowed to 4.7 percent as of September 2006—well below the 12.1 percent registered for the corresponding period in 2005). GDP has grown an average five percent for the period 2004/2005 and is expected to grow by over six percent this year. Good rains and a global commodity boom are contributory factors.

16 Zambia's GDP growth, however, remains somewhat below the six to seven percent needed to reduce poverty significantly and foreign investment cannot disguise the fact that over 70 percent of Zambians lives in poverty. Per capita annual incomes are currently at about one-half their levels at independence and, at USD460, place the country among the world's poorest nations. Social indicators continue to decline, particularly in measurements of life expectancy at birth (about 37 years) and maternal mortality (729 per 100,000 pregnancies). The country's rate of economic growth cannot support rapid population growth or the strain which HIV/AIDS related issues (such as rising medical costs and declining worker productivity) place on Government resources. Zambia is also one of Sub-Saharan Africa's most highly urbanised countries. Almost one-half of the country's 11.5 million people are concentrated in a few urban zones strung along the major transportation corridors, while rural areas are sparsely populated. Unemployment and underemployment are endemic.

17 HIV/AIDS is the nation's greatest problem, with 17 percent prevalence among the adult population. HIV/AIDS will continue to impact Zambian economic, political, cultural, and social development for the foreseeable future, according to a late 2005 assessment by the IMF.

18 The health system faces severe constraints that prevent many public health needs from being adequately addressed. Staffing levels are insufficient—a problem exacerbated by large scale emigration of health workers to wealthier countries. Donors' responses to the capacity problem in health care has been, in part, to set up parallel delivery systems that attract workers from the public sector, thereby bypassing the urgent need for capacity building in that sector. However, to raise staffing levels and equip health centers, the Government and its development partners must make major investments. There is also a serious need to scale up the campaign against HIV/AIDS—something the international donors, including the IMF, are prepared to back fully. Success in the health effort is a prerequisite for further progress in boosting growth and reducing poverty.

19 Once a middle-income country, Zambia began to slide into poverty in the 1970s when copper prices declined on world markets. The Government made up for falling revenue with several abortive attempts at IMF Structural Adjustment Programmes (SAPs), which ended after popular outcries from the people. After democratic multi-party elections, the Chiluba Government (1991-2001) came to power in November 1991 committed to an economic reform programme. The Government privatised most of the parastatals (state-owned corporations), maintained positive real interest rates, eliminated exchange controls, and

endorsed free market principles. It remains to be seen whether the Mwanawasa Government will be aggressive in continuing economic reform. Zambia is still dealing with economic reform issues such as the size of the public sector and improving Zambia's social sector delivery systems. NGOs and other groups have contended that the SAPs, in Zambia and other countries, have had very detrimental effects on the poor.

20 Zambia's total foreign debt exceeded USD six billion when the country qualified for Highly Indebted Poor Country Initiative (HIPC) debt relief in 2000, contingent upon meeting certain performance criteria. Initially, Zambia hoped to reach the HIPC completion point, and benefit from substantial debt forgiveness, in late 2003. In January 2003, the Government informed the IMF and World Bank that it wished to renegotiate some of the agreed performance criteria calling for privatisation of the Zambia National Commercial Bank and the national telephone and electricity utilities. Although agreements were reached on these issues, subsequent overspending on civil service wages delayed Zambia's final HIPC debt forgiveness to early 2005, at the earliest. In an effort to reach HIPC completion in 2004, the Government drafted an austerity budget for 2004, freezing civil service salaries and increasing a number of taxes. The labor movement and other components of civil society objected to the sacrifices called for in the budget, and, in some cases, the role of the international financial institutions in demanding austerity.

21 At the beginning of the third quarter 2006, the World Bank implemented its debt relief to Zambia amounting to USD2,760 million of which Multilateral Debt Relief Initiative (MDRI) amounted to USD1,875 million and HIPC debt relief amounted to USD885 million. Savings arising from MDRI debt impacts directly on the fiscal budget as debt service payments fall due.

22 The Zambian economy has historically been based on the copper mining industry. Output of copper had fallen, however, to a low of 228,000 metric tonnes in 1998, after a 30-year decline in output due to lack of investment, low copper prices, and uncertainty over privatisation. In 2002, following privatisation of the industry, copper production rebounded to 337,000 metric tonnes. Improvements in the world copper market have magnified the effect of this volume increase on revenues and foreign exchange earnings. For example firms like Vedanta Resources, a London based metals company acquired Konkola Copper Mines (KCM) and has transformed the company allowing it to develop to its full potential and maximise benefits for employees. Vedantas also investing significantly in the economy and undertook the largest single investment into the country earlier in 2006.

23 The Government is pursuing an economic diversification programme to reduce reliance on copper. This initiative seeks to exploit other components of Zambia's resource base by promoting agriculture, tourism, gemstone mining, and hydro power. In 2003, nonmetal exports increased by 25 percent, and accounted for 38 percent of all export earnings, up from 35 percent. The Government has recently been granting licenses to international resource companies to prospect for minerals such as nickel and uranium.

24 Zambia's recent economic gains demonstrate that a strong commitment to reform and sustained implementation of such policies can produce an economic turnaround. By adopting politically difficult spending restraints in 2004 and 2005, the Government was able to reduce its borrowing and halt an unsustainable rise in domestic debt. This, in turn, brought lower interest rates and increased the private sector's access to domestic credit.

25 Overall, growth prospects for the medium-term appear satisfactory although ongoing structural reforms to sustain growth remain a challenge for the Government.

3 | Overview of the Banking and Financial Sector

3 Overview of the Banking and Financial Sector

Financial Sector Development Plan (FSDP)

26 Zambia's Financial Sector Development Plan for 2004-09 (FSDP) was devised by the Government in 2003 (following a comprehensive assessment of the financial sector by the World Bank/IMF) to oversee a strategy of development of all aspects of financial markets.

27 According to the FSDP, the banking sector is faced with several constraints, including:

- Low financial intermediation.
- Dependency of bank earnings on lending to "blue chip" corporate companies, foreign exchange trading and trading in government securities.
- Instability in the banking sector.
- Complex processes for banks in liquidation.
- Poor credit culture.
- Weak legal infrastructure.
- The high cost of banking services.

28 FSDP key recommendations include:

- Enhancing the quality of supervision through the development of internal capacity.
- Introducing rule-based Bank of Zambia (BoZ) intervention in the industry to enable prompt corrective action and reduce the effects of regulatory forbearance.
- Revision of liquidation procedures for failed banks and strengthening of bankruptcy laws.
- Establishing a credit reference bureau to enhance credit culture.
- Enhancing consumer protection mechanisms.

Commercial Banks

29 There are 13 registered commercial banks in Zambia offering a wide range of financial services and employing some 4,000 people at mid-2006. The banking sector is characterised by stability since there has been no major new entry or exit over the past five years. Banks are registered and supervised by the Bank of Zambia (BoZ), the central bank and regulated under the Banking Act of 1994.

30 The overall condition and performance of the banking sector for the year 2005 and into 2006 was satisfactory. The sector continued to be adequately capitalised, with all banks meeting the minimum capital requirements of five percent for primary capital and 10 percent for regulatory capital. The BoZ designated this situation as strong. The industry's risk-weighted assets to primary capital and total regulatory capital ratios were 20.3 percent and 22.2 percent at 31 August 2006.

31 Asset quality was rated satisfactory at the end of August 2006. Overall, the banking sector recorded an increase in total assets by K541.5 billion (+6.6 percent) to K8, 747.7 billion at the end of August 2006 from K8, 206.2 billion at the end of June 2006. Some improvement, however is necessary as the ratio of gross non-performing loans to total assets was 11 percent as of 31 August 2006, compared to less than three percent in developed markets.

32 The banking sector's earnings and liquidity position were also acceptable, with the ratio of liquid assets to total deposits and short-term liabilities at 70.3 percent. The ratio of earning assets to total assets as of 31 August 2006 was 77.5 percent compared to 77.9 percent by mid-2006. The cumulative return on assets (ROA) and return on equity (ROE) declined to 5.7 percent and 33.3 percent from 6.0 percent and 37.4, respectively, for the same periods indicated. Both ratios, however, are favourable compared to current international standards.

Table 3.1: Size of Commercial Banks

Bank Name	Number of staff
African Banking Corporation (ABC)	35
Bank of China (Zambia) (BOC)	NG
Barclays Bank of Zambia (BBZ)	450
Cavmont Capital Bank	124
Citigroup	57
Finance Bank Zambia (FBZ)	546
First Alliance Bank (FAB)	66
Indo-Zambia Bank (IZB)	217
Intermarket Banking Corporation (IBC)	32
Investrust Bank (Investrust)	124
Stanbic Bank (Stanbic)	255
Standard Chartered Bank (Stanchart)	404
Zambia National Commercial Bank (Zanaco)	1,086
Total	3,396

33 Banks are increasing lending activity after several years of tight credit due to high loss rates and structural changes in the sector. Banks had total loans outstanding as of August 30, 2006 of K3, 482 billion, up 32 percent over the same day in August 2005. Ninety-one percent of loans were extended by banks to the private sector with foreign banks dominating lending activity.

Non-Bank Financial Institutions (NBFIs)

34 Non-Bank Financial Institutions (NBFIs) comprise institutions regulated and supervised under the Act and contractual savings providers (pensions and insurance companies).

Table 3.2: NBFIs

Institution/Type	Number	Total Assets, except where indicated	Area of Activity
Insurance Companies	8	K377 billion, gross premiums	Life and accident insurance
Leasing Companies	8	K249 billion	Lease finance
Building Societies	3	K105 billion	Mortgage finance
Microfinance Companies	5	K106 billion*	Micro credit to SMEs and individuals
Bureaux de Change	31	\$104 million FX volume	Foreign exchange (FX) transactions
Development Bank	1	K28 billion	Term lending to SMEs
Savings and Credit Bank	1	Included in total assets figure for microfinance	Member based savings and credit; lending to SMEs

Sources: Bank of Zambia: Governor's Quarterly Meeting with CEOs and NBFIs, 16 October 2006; Pensions and Insurance Authority (PIA), 2005 data. *including Savings and Credit Bank.

35 Leasing finance is enjoying some growth and all companies listed are active. The Bank of Zambia, however, notes that there are numerous micro-lending institutions but these have not bothered to be registered. The report further states that most non-bank institutions are not complying with prudential reporting guidelines as yet.

36 Zambia has eight insurance companies offering life and accident insurance products. These companies are regulated by Pensions and Insurance Authority (PIA) under the Insurance Act No. 27 of 1997. PIA also regulates pension funds (see further). The insurance industry posted gross premiums for 2005 (the most recent data year) of K376.9 billion, a near 38 percent increase over two years. The largest insurer is Zambia State Insurance Corporation (ZSIC) with 32 percent of the gross premiums market. Performance data for the same period indicated that the industry was profitable with after-costs surpluses of K142.5 billion compared to K4 billion two years before.

37 Most insurance companies staff their businesses with certificate holders from the Zambia Centre for Accountancy Studies (ZCAS), the Zambia Insurance Business College (ZIBC), and the Zambia Institute of Chartered Accountants (ZICA).

38 Not listed is Zambia's only general reinsurance company, ZimRE Zambia Ltd. which reported K3.2 billion in gross premiums (most recent data for 2003).

39 Also not listed are the pension funds in Zambia. There are seven registered pension fund managers under the Pension Scheme Regulation Act No. 28 of 1996. These are the only institutions charged with the responsibility of managing pension scheme funds. Net assets of the funds amounted to K820.4 billion and K624.5 billion for 2003 and 2002, respectively (most recent data), and net income of K159.9 billion and K121.2 billion for the same years.

40 Population data of the NBFi sector was not readily available during the scoping mission.

41 According to the FSDP, the NBFIs play a complementary role to commercial banks in the financial system. The NBFIs present an opportunity for transforming the financial sector in Zambia through their role in long-term lending and provision of financial services to the under-served rural consumers and small businesses, often ignored by traditional banking channels. The focus is on key elements of a strategy for restructuring the development finance institutions, housing finance institutions and the rural banking institutions, as well as developing a regulatory framework for the micro-finance institutions.

42 **Leasing companies:** The leasing companies are commercial ventures that are established under the Companies Act. Their principal activity is the provision of asset-based finance.

43 **Development Finance Institutions (DFIs):** In Zambia, the DFIs were established and funded by the government. Largely due to the deteriorating economic conditions and poor corporate governance, most of these institutions have been closed. The exception is the Development Bank of Zambia (DBZ), which was recapitalised by the Government in 1994/95 and later restructured in 2002 through the DBZ Amendment Act of 2001.

44 **Housing Finance Institutions (HFIs):** HFIs traditionally provide banking services and mortgage lending. In Zambia, HFIs have tended to take two major forms, namely, building societies and employer-sponsored housing loan schemes. However, the unsatisfactory overall performance and financial condition of the building society industry has limited the contribution of housing finance institutions in the economy. The major constraints have been the unstable macroeconomic environment and the outdated Building Societies Act (BSA) of 1968, which has not been revised in line with the changing financial environment.

45 **Rural Banks and Microfinance Institutions:** Following the collapse of most of the subsidised and publicly funded rural finance institutions, such as: Lima Bank, ZCF Finance Services and the Cooperative Bank in the mid-1990s, there has been a gap in the provision of financial services to the low-income households in the rural and peri-urban areas. In addition, many commercial banks, which had branches in peri-urban and rural areas, closed down a number of these branches. Commercial banks still maintaining rural branches do not cater for the financial needs of most of the people in rural areas owing to high bank charges and high minimum balances required for opening savings accounts. Further, the majority of Zambians are not able to meet the collateral requirements for credit facilities. This has created a gap in the provision of financial services to low-income households, especially in rural areas.

46 Microfinance institutions (MFIs) have risen to fill the gap in the provision of financial services. MFIs offer financial services, such as, small loans and savings facilities in the peri-urban and rural areas. Although expansion is much slower in rural areas, growth is evident along the line of rail and the peri-urban areas of the country. The provision of financial services in the rural areas has been slow due to unsatisfactory support infrastructure and absence of an appropriate regulatory and supervisory framework. The regulation and supervision of MFIs is still at an embryonic stage. The BoZ, through a comprehensive research and consultative process with stakeholders, has now enacted microfinance regulations that would create a safe, sound, stable and efficient environment in which microfinance institutions could operate.

47 **Bureaux de Change:** These are foreign exchange shops that buy and sell foreign exchange in small amounts and do not take deposits. From April 2003, bureaux de change have been operating under Statutory Instrument (SI), Number 38 issued under the BFSa and are required to comply with the 25 percent shareholding limit applicable to other financial institutions.

48 Key FSDP recommendations for the specialist lenders and bureaux de change include:

- Repealing the DBZ Act, NSCB Act and BFSa.
- Restructuring or closing insolvent non-bank financial institutions.
- Incorporating DFIs, HFIs rural banks and MFIs under the Companies Act.

- Establishing a legislative framework to provide for effective regulation and supervision of DFIs, HFIs, rural banks and MFIs.
- Reviewing VAT on lease finance charges in order to stimulate growth of the leasing sector.
- Reviewing the 25 percent shareholding limit.

Contractual Savings Providers

49 **Insurance industry:** The insurance industry is regulated by the Pensions and Insurance Authority (PIA) in Zambia. The major concerns in the insurance industry include:

- Low market penetration (gross premiums stood at about 1.8 percent of GDP for 2005, albeit up from 1.2 percent in 2002).
- Inadequacies in the Insurance Act with regard to prudential supervision and regulation.
- Externalisation of insurance funds.
- Lack of capacity to handle mega risks.

50 Key recommendations to develop the insurance industry include:

- Upgrading the legal and regulatory framework to the level as prescribed by the International Association of Insurance Supervision (IAIS) standards.
- Enhancing the quality and independence of the insurance regulatory office.
- Harmonising legislation affecting insurance business.
- Development of a policy on insurance of national assets.
- Realignment of health insurance regulations and establishment of an indigenous reinsurance company.

51 **Pension Schemes:** The major concerns in the pensions industry include:

- Lack of harmony in legislation relating to pensions.
- Inadequacies in the Pension Scheme Regulations Act, 1996.
- Deficits in the statutory pension funds as a result of non-remittance of pension contributions by the state.
- Lack of a supervisory agent for National Pensions and Social Security Agency (NAPSA), which is regulated by the Ministry of Labour with little capacity to understand financial issues.
- Absence of local actuaries.
- Inadequate tax incentives and a lack of adequate investment guidelines.

- Impact of HIV/AIDS on pension funds.
 - Lack of knowledge concerning pensions by the public.
- 52 Key recommendations to develop the pension funds include:
- Amending the Pensions Scheme Regulation Act, 1996 and harmonising all legislation affecting pensions.
 - Enhancing tax incentives for pension funds.
 - Effecting of consumer education programmes.
 - Conducting a study on viability of personal pension plans.
 - Reviewing the need for an independent supervisory authority for NAPSA.
 - Training of local actuaries.
 - Establishment of investment guidelines.

Growth Prospects for the Banking and Financial Sector

53 The FDSP is a broad plan to strengthen the Zambian financial sector. Its success is dependent on the macroeconomic environment and prospects.

54 Consistent with the Government's medium-term macroeconomic objectives for the period 2004 to 2006, the following macroeconomic conditions were identified as being desirable in supporting the growth of the financial sector:

- Raising economic growth to at least five percent by 2006.
- Single digit inflation
- Reaching the Highly Indebted Poor Countries Initiative (HIPC) completion point.
- Building credibility by observing fiscal and other publicly announced macroeconomic targets.
- Improving coordination between the government and the BoZ.

55 According to an October 2006 report by the BoZ,^{1/} the overall financial condition and performance of the banking sector during the third quarter for the year 2006 was satisfactory. The sector maintained adequate capital and reserves while asset quality, earnings and liquidity were also satisfactory. After years of retrenchment, following the closing of major copper mines and the poor state of the economy, the banks are finally geared to credit expansion again—most notably in consumer finance, construction and mortgage lending.

56 In the non-bank financial sector, the report indicated the following:

- The overall financial condition and performance of the leasing sector was fair.

^{1/}

Governor's Quarterly Meeting with the Chief Executive Officers of Non-Bank Financial Institutions on Recent Economic and Financial Sector Developments, Bank of Zambia Boardroom, 16 October 2006.

- With regards to the building societies sector, despite continued improvement in earnings performance, the overall financial condition remained unsatisfactory.

57 Prospects for growth in the Zambian banking and financial sector are positive but are dependent on growth in the overall economy.

4 | **Profile of ZIBFS**

4 | Profile of ZIBFS

58 ZIBFS was founded in 1992 by the commercial banks active in Zambia to provide education and training for the banking and finance profession. The original name of the organisation was the Zambia Institute of Bankers (ZIoB) and it assumed all the functions previously performed by the Lusaka Branch of the Chartered Institute of Bankers (CIB), London. The name was changed in 2005 by the Institute's governing Council to reflect the broader nature of institutions participating in Zambian financial markets. The Institute is an autonomous professional body with its own local examination structure at the certificate, diploma, and degree levels.

59 The Institute had introduced the local banking and finance certificate and diploma programmes earlier on in its development, achieving international recognition by 1997. In 2003, the Institute extended the programmes by signing a Memorandum of Understanding (MoU) with the Zambian-based Copperbelt University (CBU) to train Bachelor of Science (BSc) graduates. In 2005, some ten graduates received the first degrees under this programme. Currently there are 13 students enrolled in the BSc programme.

ZIBFS Mission

60 The mission statement of the ZIBFS is derived from the mandate given to it by its Constitution drafted in October 1991. This is "to develop qualified and competent banking and finance professionals mainly through a process of best practices of education, training and continuing professional development programmes to enhance honest and integrity."

ZIBFS Vision

61 According to the ZIFBS strategic plan for 2006 and comments from members of its Governing Council, the Institute's vision is "to be the leading one-stop shop professional body for the financial services sector."

ZIBFS Objectives

62 The Institute's salient objectives are to:

- Assist in the education and training of persons working or intending to work in the financial services industry.
- Conduct professional examinations in banking and finance.
- Maintain and improve professional standards of banking and finance professionals.
- Protect and assist the public in all matters relating to the practice of banking and finance profession.
- Promote international recognition of qualifications conferred by the Institute.

ZIBFS Structure

63 The Institute is governed by a Council which is composed of a President, Deputy President, Secretary, Treasurer, and not more than nine members nominated from among senior executives or senior management staff of Corporate Members. Corporate Members are any bank or financial institution licensed as such under The Banking Act or any companies engaged in banking or related business activity, which may be admitted to membership at the discretion of the Council.

64 Although the Council's main responsibility is the overall supervision and day-to-day conduct of the affairs of the Institute, it delegates this responsibility to ZIBFS staff. ZIBFS employs a full-time staff consisting of :

- A Director;
- An Education and Training Officer;
- An Accounting Officer;
- A Membership and Administration Officer;
- An Accounts/Office Assistant; and
- A Messenger/Gardner.^{1/}

65 In early November 2006, a new Director was appointed but with a gap of more than two months in staff leadership.

Institutions Using ZIBFS Products and Services

66 ZIBFS is essentially the “brainchild” of the commercial banks in Zambia, as one interviewee put it. They are the Corporate Members and continue to provide the single most important source of revenue through annual fees (27 percent of budgeted revenues for 2006, 30 percent and 37 percent of actual revenues for 2005 and 2004, respectively). Corporate members are the primary market for the Institute’s training activities.

67 Corporate fees from Commercial Banks and NBFIs are set out in the table below.

Table 4.1: Corporate Fees – 2006 Budget

Bank/Entity	Number of staff	Amount (kwacha)
African Banking Corporation (ABC)	35	4,725,000
Bank of Zambia (BoZ)	582	46,440,000
Barclays Bank of Zambia (BBZ)	450	40,500,000
Cavmont Capital Bank	124	15,660,000
Citigroup	57	7,695,000
Development Bank of Zambia (DBZ)	27	3,645,000
Finance Bank Zambia (FBZ)	546	44,820,000
First Alliance Bank (FAB)	66	8,910,000
Indo-Zambia Bank (IZB)	217	24,030,000
Intermarket Banking Corporation (IBC)	32	4,320,000
Investrust Bank (Investrust)	124	15,660,000
Lusaka Stock Exchange (LuSE)	NG	5,000,000
National Savings and Credit Bank (NSCB)	242	26,280,000
Pride Zambia	NG	5,000,000
Stanbic Bank (Stanbic)	255	27,337,500
Standard Chartered Bank (Stanchart)	404	37,395,000

^{1/}

See Organisation chart in Appendix A3.

Bank/Entity	Number of staff	Amount (kwacha)
Zambia National Commercial Bank (Zanaco)	1,086	66,060,000
Zambia Revenue Authority (ZRA)	NG	10,000,000
Zambia State Insurance Corporation (ZSIC)	NG	10,000,000
Total	4,247	403,477,500

Source: ZIBFS; NG = not given

Exchange rate: 1£/1€/1\$ = 7,612 kwachas/5,088 kwachas/4,005 kwachas, respectively, at 3 November 2006.

Current Condition of ZIBFS

68 ZIBFS is well-known by both the banking and financial services community and, in some instances, highly regarded. However, the results of the interviews reveal that the ZIBFS “has lost its way, has not lived up to its promises, has withdrawn, and has lost relevance”. As one interviewee pointed out: “What has gone wrong?” This perceived image needs to be redressed in devising a plan for sustainability and growth of the Institute as a professional body.

SWOT

69 The strengths, weaknesses, opportunities, and threats (SWOT) facing ZIBFS, largely sourced from in-person interviews may be summarised as follows:

Table 4.2: SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Corporate membership from the banks in the financial services sector • Only Institute offering banking and finance qualification • Recognised brand • Near 15-year track record 	<ul style="list-style-type: none"> • Limited staff • Over reliance on Directors • Dependence on corporate fees • Declining workshop/seminar income • Lack of legislation insulating the Institute • Absence of strong sales/marketing expertise • Inability to provide suitable materials and textbooks • Lack of up to date study materials in the library and less than adequate library facilities • Poor infrastructure
Opportunities	Threats
<ul style="list-style-type: none"> • Market segment is poised for rapid growth • Expand focus to financial services and not just banking • Increased demand for training in the financial sector as a result of changes in product offerings • Re-target banks as a segment. It has low levels of certified bankers • Need to relocate to larger premises 	<ul style="list-style-type: none"> • Competing established business professions • Emerging new technologies may move market in new directions (away from need for training at Institute) • Fall in employment levels in the banking and financial services sector of the country • HIV/AIDS impact on staff level stability • Major player may enter targeted market segment

5 | Training Needs Analysis (TNA)

5 Training Needs Analysis (TNA)

Summary of TNA Results

70 ZIBFS has lost much of its shine since it started in 1992. According to members of the banking community and others in the financial sector in Zambia, the syllabi on offer for the certification programme can do with some changes or modifications to make them relevant to market needs. The most important need, however, is a curriculum development programme that will bring the Institute's study materials and textbook availability in line with best practices evident in the benchmark comparison. This should be a priority.

71 The most important result of the TNA is that ZIBFS syllabi do not respond fully to the requirements of the banking and finance sector in Zambia and fall short of international best practices in terms of study materials and textbook availability. This is a syllabus that has recently been revised in 2005/6 under the auspices of the Copperbelt University.

72 ZIBFS is engaged in two primary activities: education and training, in order of revenue generation. The main source of income is the fees from corporate members, essentially the commercial banks in Zambia. The Institute receives miscellaneous revenues from its magazine and annual ball ("graduation" ceremony for certification students). The magazine, The Banking and Financial Services Magazine, is a conversion of the previous newsletter into a glossy format, unlike the word processor printout listing the certification courses.

73 The Institute does not currently offer a continuing professional development (CPD) programme.

74 From interview comments, the banks need certificate holders that understand banking; the non-banks need people with a wider exposure, such as in financial markets, international trade, and investment analysis. From discussions with bank interviewees, it is estimated that only 10 percent of bank employees, who number about 4,000, are professionally qualified through ZIBFS programmes. This means that most bank employees lack specific knowledge of banking. In addition, they lack customer service skills, detailed product knowledge, and specialised lending (like SME financing and leasing), treasury and risk management.

75 The large banks make use of their global group resources to train staff but this has limited scope because of the high costs involved. This, coupled with the low level of certified bankers, presents a key opportunity for ZIBFS to expand its programmes.

76 The detailed TNA results thus focus on the educational and training programmes and the growth prospects for ZIBFS to tap into the large pool of bank and financial services employees seeking professional qualifications.

Educational Programme

77 The ZIBFS educational programme encompasses three stand-alone qualifications: the certificate, diploma, and degree programmes, or more generally, the certification

programme which is the focal point of the project's mission.^{1/} This programme (including exam fees, degree fees, quizzes, and exemption fees) generated 36 percent of total revenues in 2004, 38 percent in 2005, and 43 percent estimated for 2006.

Findings

78 The current situation reveals the following.

- Topics among the syllabi of the certificate, diploma, and degree programmes overlap.
- Topics covered during the course and the exam questions are disconnected (for example: an accounting course specifically covers IFRS norms as required by Zambian law since 2003 but the exam sought answers using UK accounting norms).
- Exam results of students who study at home are invariably below those who attend classes.
- Course materials and textbooks are lacking.
- Banks find certificate holders weak in banking knowledge, while non-banks seek those with broader knowledge of the financial markets.

79 The lack of course materials and textbooks was the weakness most cited by interviewees from banks, insurance companies, and academic institutions. Indeed, most of the authorised institutions participating in the certification programme produce their own study materials from a variety of sources such as ACCA, CIMA and BPP Professional Education, among others.^{2/} This results in non-uniform learning materials across the population spectrum of students and yet they sit the same exam.

80 The Institute publicises its programmes in a word-processor produced brochure which has a substandard appearance. It does not project the image of a professional organisation.

Issues and Questions

81 During the TNA process, the consultants were presented with issues and questions such as:

- Are the topics too focused on banking and not enough on other financial services entities?
- Is a degree in banking and finance really necessary to obtain employment in the sector?
- The large foreign banks prefer to train their staff in-house.
- The examiners and moderators do not appear to be doing their job correctly.
- The certification programme needs bona fide international recognition.

^{1/}
^{2/}

See Appendix A4
ACCA = Association of Chartered Certified Accountants; CIMA = Chartered Institute of Management Accountants; BPP offers courses leading to ACCA and CIMA certificates.

- Staff capacity is inadequate to oversee both the educational and the training programmes.
- Institute facilities are not in keeping with the image of the banking and finance community.

Recommendations

82 Given the importance of the certification programme to overall revenue generation, it should be maintained but weaknesses must be corrected and strengths reinforced. Specifically, the institute should:

- Reduce course topic overlaps.
- Review examiner/moderator/lecturer relationships with the aim of eliminating course topic-exam question contradictions or confusion.
- Review current staff capacity and the Institute infrastructure.
- Expand the diploma programme to allow for specialist courses (even drawn from the degree programme) such as leasing, microfinance, financial markets, and other non-bank specific topics.
- Consider special tutorial sessions for students studying at home.
- Prepare tailor-made materials for each course with care to include Zambian context where possible (materials should include a teaching guide).
- Use internationally recognised textbooks.
- Print programme course offerings in a proper brochure.
- Seek accreditation/affiliation.

Training Programme

83 ZIBFS training programmes represented 11 percent and 16 percent of 2004 and 2005 actual revenues respectively. It is expected to be 14 percent for 2006 under the assumption that 10 seminars will be held. Since there were only two seminars held so far this year (yielding about K39 million in income), that expectation may prove overstated.

84 If the net revenues from seminar activity were calculated (fees minus direct costs), ZIBFS financial results would be negative. Thus, some form of open training activity is essential to the commercial sustainability of this element of the Institute's work.

Findings

85 ZIBFS offered 25 workshops/seminars but only seven were actually held in 2005 and two so far in 2006.^{3/} The current staff do not appear to have the capacity to run a series of seminars and workshops and still fulfil their certification responsibilities, notably the examination process.

^{3/}

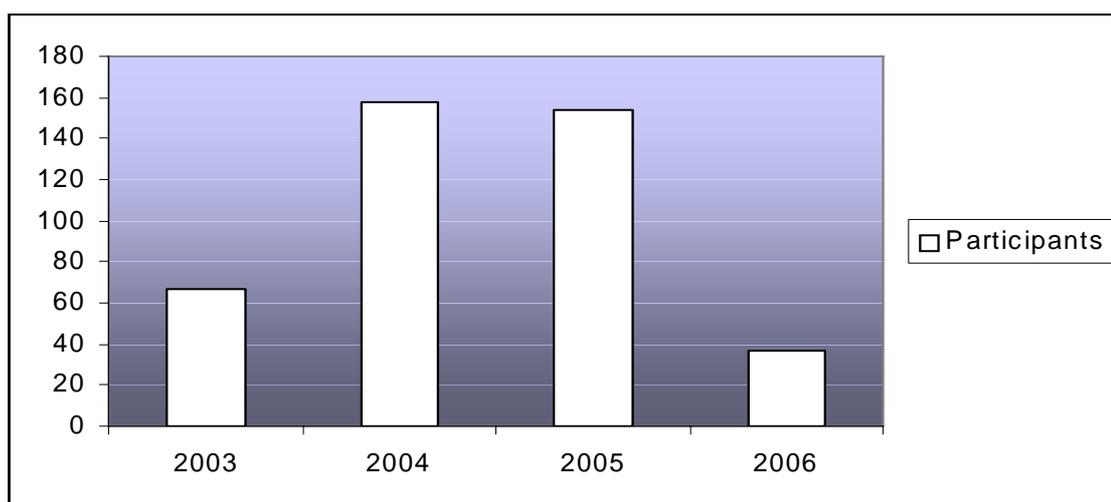
See Appendix A5.

86 The table and figure below presents the workshops/seminars held in the last four years. As can be noted, some of the presentations qualify as “in-house” events.

Table 5.1: Workshops/Seminars (2003-06)

Year	Title	Number of participants	Total number of participants for year
2003	• Anti-Money Laundering (DEC Finnish Government)	28	67
	• Customer Service and Law	19	
	• Anti-Money Laundering/Training of Trainers	20	
2004	• Credit Risk management and Debt Recovery	25	158
	• Credit Risk management and Debt Recovery (Finance Bank staff)	13	
	• Effective Supervision		
	• Customer Service (ZSIC staff)	12	
	• Cash Collection and Reconciliation (ZRA, under DFID)	13	
	• Customer Service (BoZ staff)	48	
	• Effective Leadership for Managers	28	
2005	• Basic Banking Operations	15	154
	• Treasury, Security and Controls	25	
	• Back Office and Operational Risk Management	23	
	• Cashiering (Investment Bank staff)	10	
	• Seminar on Financial Markets training in Zambia (with Peter Skerritt and Associates)	60	
	• International Trade Finance	11	
	• Frauds and Detection	10	
2006	• International Trade Finance	23	37
	• Cashiering (BoZ staff)	14	

Figure 5.1: Total Number of Participants



87 From a sampling of evaluation forms over the last four years, the seminars organised by ZIBFS have received high marks for overall satisfaction.^{4/} Only quality of materials

^{4/}

Rating of four to five per the evaluation form shown in Appendix 6.

presented was slightly weaker with an average of three to four. Staff at ZIBFS confirmed that they have never had a problem course. They conclude that human resource managers at the various banks and other institutions seem to do an excellent job at selecting the right participants for the relevant seminars.

Issues and Questions

88 Some of the issues which should be addressed are found below.

- There are too many subjects on the seminar list.
- Letters are sent out annually to corporate members informing them of the list of subjects and requesting that they consider a seminar event, but there are not very many responses to this approach.
- Should the Institute provide specific seminars at the request of banks and other financial institutions?

Recommendations

89 ZIBFS is in urgent need of a unit that focuses on its training programme. That unit could be composed of just one person—a marketing-oriented individual who could also promote the educational (certification programme) as well. Therefore, recommendations include:

- Hire a marketing officer to focus on programme development—both educational and training.^{5/}
- Put seminars in a modular form.
- Add new topics.^{6/}
- Deliver only the most popular seminars initially.
- Prepare tailor-made materials on a seminar-by-seminar basis, starting with the most popular (materials should be in package form: case studies and practical exercises, presentation slides, reading materials and leaders guide with case and exercise solutions).

Benchmarking and Affiliation

Benchmarks

90 We have reviewed a selection of banking and financial services institutions active in training and education to compare best practices and quality standards in the industry.^{7/} The selection is based on interviewee suggestions, the Consultants' direct experience with training needs analysis assignments in other countries, and the similarity of ZIBFS's mission and vision to those of other financial training institutions.

^{5/} See proposed organisation chart and related job description in Appendix A3.

^{6/} See Appendix A7.

^{7/} See Appendix A8.

91 The selection includes the banking institutes of, in alphabetical order, Ghana, Kuwait, Pakistan, and South Africa, all of which seem to enjoy favourable reputations regionally, if not internationally.

Findings

92 The chief differences between ZIBFS and these institutes listed are summarised below. These are:

- The degree programme.
- No CPD programme.
- Underdeveloped study materials.
- Absence of accreditation and affiliation (other than with Alliance of African Institutes of Bankers (AAIOB)) at an international level.

93 Although only IOB of South Africa provides a diploma programme with specialist courses, this is a long-term recommendation for ZIBFS in order to augment its relevancy among banks and other financial institutions in Zambia. The Consultants also recommend accreditation and/or affiliation to enhance the Institute's credibility.

Table 5.2: Differences between ZIBFS and other Banking Institutes

Benchmark Comparison	Ghana	Kuwait	Pakistan	South Africa	ZIBFS
Membership structure	Yes	Yes	Yes	Yes	Yes
Certificate programme	Yes	Yes	Yes	Yes	Yes
Diploma programme	Yes	Yes	Yes	Yes	Yes
Degree programme	No	No	No	Yes	Yes
Training (workshops and seminars) programme	Yes	Yes	Yes	No	Yes
Continuing Professional Development programme	Yes	Yes	Yes	No	No
Specialist core (elective courses)	No	No	No	Yes	No
Examinations	Yes	Yes	Yes	Yes	Yes
Developed study materials	Yes	Yes	Yes	Yes	No
Accreditation	Yes	Yes	Yes	Yes	No
Affiliation (other than AAIOB)	No	Yes	Yes	Yes	No

Affiliation

94 ZIBFS is a founding member of the Alliance of African Institutes of Bankers (AAIOB) through an agreement signed in February 1997 in Johannesburg, South Africa.

Table 5.3: Alliance of African Institutes of Bankers (AAIOB)

Members
The Institute of Bankers in South Africa (IOB)
The Kenya Institute of Bankers
The Institute of Bankers of Zimbabwe
Botswana Institute of Bankers
The Tanzania Institute of Bankers
Zambia Institute of Banking and Financial Services(formerly Zambia Institute of Bankers)
The Chartered Institute of Bankers of Nigeria
The Chartered Institute of Bankers (Ghana)

95 The AAIOB's primary objective is to co-ordinate and develop the banking profession on the African continent through its member organisations by promoting internationally accepted professional standards of competence and conduct. One of the key areas of cooperation is reciprocity. As stated in the AAIOB charter, reciprocity means: to encourage members to work towards establishing reciprocal agreements and qualifications with a view to the free transfer and recognition of members (bankers) and official qualifications between institutions and countries.

96 Unfortunately, the AAIOB has been virtually inactive since its founding aside from a few meetings in the capital cities of its members. Consequently, it has not yet introduced the qualifications nor the reciprocity clause which would enable validation of qualifications across member countries.

97 Affiliation, however, is desirable according to several bankers interviewed. Since there seems to be competitive friction between Zambia and countries like Kenya and Tanzania (also according to comments from interviewees), the Consultants propose an affiliation with South Africa's IOB as the best option. The latter's standards are high and are world class from interviewee comments, not to mention the proximity and IOB's membership in AAIOB, however inactive.

6 | Training and Education Strategy

6 Training and Education Strategy

98 ZIBFS should pattern itself after the benchmark banking institutes. This includes the provision of quality and uniform study materials, a focus on specialisation courses at the diploma level, and affiliation with an internationally-recognised institution of learning. The strategy outline below focuses on the sustainability of the Institute and a growth in students/participants which should reinforce that sustainability.

Integrated Learning and Development Activities

99 The Institute should pursue a strategy which the Consultants call integrated learning and development activities (ILDA for the purposes of this report). ILDA involves the coverage of three distinct areas of education in banking and finance: certification, training, and professional education programmes.

100 Since a financial analysis indicates that ZIBFS would not be able to initially sustain this three-pronged ILDA, a terms of reference document has been developed outlining what has to be done and the financial implications involved. The thrust of the work is on curriculum development since the lack of adequate materials and textbooks has been sighted systematically as a key missing link in the Institute's credibility.

Recommendations

Certification Programmes

101 ZIBFS should continue with its certification programmes but with the following recommendations.

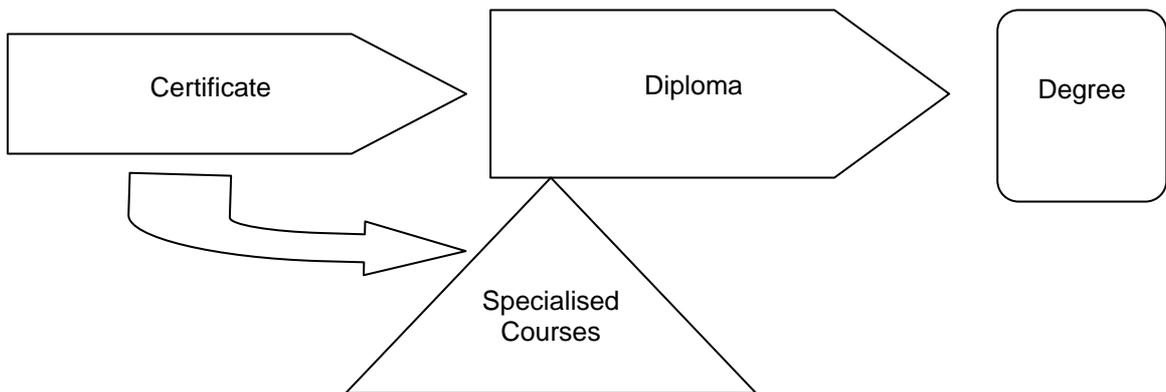
102 In the short-term the institute should:

- Develop of a set of uniform materials: textbooks, case studies, teacher guides.
- Ensure non-overlapping course syllabi.
- Quality control exam preparation procedures.
- Introduce specialised courses to the diploma programme:
- Prepare a proper brochure that will enhance its professional image.
- Affiliate with The Institute of Bankers in South Africa or other international and regional bodies.
- Accelerate the legislation that would create a unique ZIBFS nameplate.
- Encourage bank and financial services companies to link certain jobs to specific professional qualifications.

- Establish a system that recognises the professional value of experience in banking and finance.
- Provide special attention or a tutoring programme for study at home students.

103 In the longer-term, the Institute should add a specialised element to the diploma.

Figure 6.1: Revised Certification Framework



104 The three-stage programme from certificate to diploma and to the degree would be maintained as the core. However, a specialisation programme would be added to address issues in lending and management such as microfinance, securities markets, treasury function, credit analysis, SMEs, risk and strategic management, among others. Of the benchmark examples of other banking institutes, only The Institute of Bankers in South Africa (IOB) provides a diploma in which a student can follow specialised courses in addition to the diploma core courses.

105 The proposed branch or route would enable a certificate holder to undertake specialised courses related to their area of interest. Furthermore, the proposed route would require an internship in the industry or sector of choice for a period of three months. After that period, the candidate would be required to produce a written report to be reviewed by a panel of experts prior to awarding a specialisation certificate.

106 The specialisation route would also include the basic core courses in the diploma programme, ideally followed while the candidate is on internship. Upon completion, it is expected that the candidate will exhibit value-added appeal to potential employers.

Certificate and Diploma Programmes

107 The certificate programme includes courses, which should remain intact since they appear relevant to both banking and other financial services providers in Zambia. The courses are:

- Business Management.
- Financial Accounting.
- Marketing of Financial Services and Customer Services.
- Financial Mathematics.
- Economics.

108 On the other hand, and since banks interviewed do not see the need to hire degree holders and yet feel that diploma holders are lacking in some basic elements of banking, the diploma programme should be extended to include specialised or elective courses such as:

- SME Lending.
- Treasury Management.*
- Asset-Based Finance.*
- Project Finance.*
- Bond and Equity Financing and Analysis.*
- Corporate Governance.
- Pension Fund Management.*
- Venture Capital and Private Equity.
- Mortgage Lending.*
- Risk Management.*
- Loan Management.^{1/}

109 Some of the suggested specialised courses are already on offer under the degree programme, either wholly or partially.^{2/}

110 This should also satisfy the need for knowledge in areas other than pure banking. The recommended specialisations will be achieved with a combination of identified core courses in the current diploma programme and specialised courses listed above. Full certification, however, will take place once the student completes an internship period with a bank or other financial institution and produces a report related to area of specialisation undertaken.

Degree Programme

111 The degree programme does not appear to be the success expected when the MoU was signed with Copperbelt University. Moreover, any modification does not appear to be a suitable option at this point. Interview results indicate that banks are not keen on hiring someone with a banking and finance degree and students seem less than enthusiastic at the thought of extending their education in the subject area if prospects of employment are limited.

112 There are currently some 23 students in the degree programme, compared to 11 for 2005 and 12 for 2004. The level of degree seekers may indicate that the programme will die of attrition and a gradual phase-out is in store, perhaps by not advertising it. Benchmark examples do not provide degree programmes except the IOB of South Africa.

Training Programmes

113 Training should be focused. ZIBFS should develop a reputation for relevant and professional seminars and workshops. These should be limited in number initially then gradually expanded to cover more topics. The topic requests that dominated the interviews with market participants are:

- Microfinance,
- SME Lending,
- Treasury Management, and.
- Basic Credit Assessment.

^{1/}
^{2/}

* = also part of the degree course
Those not currently on offer are presented in Appendix A9 in outline form.

114 If ZIBFS elects to maintain its list of workshops and seminars at present, the course offerings should be repositioned into a modular form. For example, all credit-related seminars and all treasury and investment seminars would be grouped together to form a module.

Professional Education Programmes

115 ZIBFS does not currently offer a professional education programme, as is the case with three out of four of the benchmark institutions.

116 Such a programme should cover:

- Continuing Professional Development (CPD) Programmes,
- Executive Education Programmes,
- Distance Learning Programmes, and
- In-House Programmes.

117 An example of a CPD programme is drawn from one of the benchmark institutes (Kuwait Institute of Banking Studies, or IBS). IBS calls it “Professional Education Programmes” and lists a range of courses from auditing to credit and investment analysis to managing financial data with PCs.

118 To develop a CDP programme, ZIBFS may well follow the lead of the International Association for Continuing Education and Training (IACET), a US-based non-profit association dedicated to quality continuing education and training programmes. The mission of IACET is to promote and enhance quality in continuing education and training through research, education and the development and continuous improvement of IACET criteria, principles, and standards.

Other Recommendations

119 These are that the institute:

- rationalises staff responsibilities and remuneration scales;
- revamps and enlarges its facilities;
- develops a professional website;
- seeks affiliation with the International Association for Continuing Education and Training (IACET); and
- with others seeks to resuscitate the Alliance of African Institute of Bankers.

120 The Consultants have also identified at least two possible sources for materials development, Premier College and Walk Tall Institute of Learning, both have complete sets of materials for the certificate and diploma levels and are willing to share under appropriate circumstances.

Financial Feasibility

Income

121 Nearly 1,000 people sat for the certificate and diploma exams held in April and October 2006, compared to 943 the year before. The average pass rate for the last three years was 62 percent. The 2006 sitting was well below the 1,330 budgeted which would have brought in some K334.6 million in exam fees. The variance amounts to an estimated K83 million.

122 Training activity for 2006 has so far been ephemeral. The Institute budgeted to conduct 10 seminars and workshops with at least 20 participants each at K1, 050,000 per participant (or 10 x 20 x K1, 050,000) to generate revenues of K210 million. Only two seminars were held so far this year, yielding about K39 million in income. This is largely due to inadequate staff capacity to run seminars and workshops

123 As shown below, The Institute's operational sustainability is thus heavily dependent on corporate member fees.

Table 6.1: Revenues by Activity 2004-2006 ('000s kwacha)

	2004 Actual	%	2005 Actual	%	2006 Budget	%
Certification Programme:						
Exam fees	279,737	28.69	327,352	25.86	334,600	22.13
Quiz	23,000	2.36	24,773	1.96	40,000	2.65
Degree fees	22,750	2.33	92,305	7.29	238,100	15.75
Exemptions	20,880	2.14	40,221	3.18	30,000	1.98
Subtotal	346,367	35.53	484,651	38.28	642,700	42.51
Training:						
Workshops/Seminars	108,742	11.15	201,110	15.88	210,000	13.89
Subtotal	108,742	11.15	201,110	15.88	210,000	13.89
Other:						
Corporate fees	357,537	36.67	382,415	30.21	403,478	26.69
Individual subscriptions	29,675	3.04	39,735	3.14	47,000	3.11
Annual ball	44,056	4.52	58,500	4.62	80,000	5.29
Magazine	44,840	4.60	55,200	4.36	70,400	4.66
Book sales	25,094	2.57	6,265	0.49	5,000	0.33
Miscellaneous	10,129	1.04	18,001	1.42	33,411	2.21
Interest income	8,491	0.87	20,169	1.59	20,000	1.32
Subtotal	519,822	53.32	580,285	45.83	659,289	43.60
Total	974,931	100.00	1,266,046	100.00	1,511,989	100.00

Exchange rate: 1£/1€/1\$ = 7,612 kwachas/5,088 kwachas/4,005 kwachas, respectively, at 3 November 2006.

Expenses

124 According to the financial statements,^{3/} expenses as a percent of gross income represented 97.7 percent, 96.3 percent, and 95.4 percent for each year, respectively. This left a surplus of 2.3 percent, 3.7 percent, and budgeted 4.6 percent for each year respectively.

125 The largest expense item is salaries and gratuities, representing 36 percent and 32 percent for 2004 and 2005, respectively, and a projected 30 percent for 2006. The year 2006, as mentioned, will suffer significant downward adjustment due to the fall in workshop/seminar income, which means that salaries as a percentage of expenses most likely will be higher in 2006 than the year before, perhaps an estimated 34 percent of gross income.

126 In fact, if one excludes the workshop/seminar activity from income and expenses, the Institute would show an annual loss of K30 million, K37 million, and K26 million for 2004, 2005, and budgeted 2006.

^{3/}

See Appendix A10

Cash Flows

127 Such losses would be covered by not counting depreciation— a non-cash expense which, in effect, enables the Institute to pay its bills (assuming cash is collected within a reasonable time from debtors. The Institute enjoys sizable depreciation allowances on re-valued property (in 2005) and on a new vehicle (projected for 2006).

128 Using the financial data provided, a summary cash flow statement for 2005, for example, indicates that the Institute had positive cash flows from operations (that is, all operating expenses were covered with cash generated from its regular activities) and that the excess was used to help finance investments in fixed assets. Because of the large non-cash depreciation expense projected for 2006, end of year cash flows from operations should again be positive, despite an expected shortfall in seminar income.

Balance Sheet^{4/}

129 The salient feature of the balance sheet structure for the two year closing periods is the significant support provided by the Institute's accumulated funds. ZIBFS traditionally retains earnings such that equity represented 62 percent of total liabilities at the end of 2004 and increased to 74 percent for year end 2005. The increase was due primarily to the revaluation of the Institute's building which it owns outright. In other words, equity was K322 million at year end 2004 and increased to K525 million for 2005, of which K162 million was a revaluation reserve.

130 The Institute does not appear to have liquidity issues (confirmed more or less by the tendency to show positive cash flows from operations). Current assets cover current liabilities adequately. Current assets include large investments which presumably are deemed liquid.

Conclusion

131 On an operational level, the Institute would find it difficult to survive without corporate member fees. These fees, along with examination fees, allow the Institute to meet its day-to-day expenses. If the Institute were to embark on a growth strategy as proposed in the training and education strategy, financial support would be needed—at least until the training and education strategy produces results in more students and seminar participants. That financial support can come from sources which have an interest in seeing a sustainable and viable training institute.

^{4/}

Balance sheet figures are provided in Appendix A10. These figures were supplied by the Institute and were specified as having been prepared by the accounting firm Ernst & Young in Zambia.

A1 | **List of People Interviewed**

A1 | List of People Interviewed

Table A1.1: People Interviewed

Who Name	Title	With	Where (See map at end)	When
Elizabeth ("Liz") Sondashi	(Education and Training Officer)	ZIBFS	Lusaka	16 October 2006
David Chewe	(President)	ZIBFS	Lusaka	17 October 2006
Sidney Mwaba	(Former Director)	ZIBFS	Lusaka	18 October 2006
Kaitano Chungu	(Director)	ZIBFS	Lusaka	18 October 2006
Roger Namate Simasiku	(Examiner)	ZIBFS	Lusaka	19 October 2006
George Mpundu Kanja	(Examiner)	ZIBFS	Lusaka	20 October 2006
Liz Sondashi Lillian Mumba Bwalya Mupeta Abraham Kasanga	(Full time staff)	ZIBFS	Lusaka	20 October 2006
David Chewe	(President)	ZIBFS	Lusaka	20 October 2006
Ruth Mwalusi Ngulube	(Council Member)			
Dr S Chama Prof F Tailoka	(Dean, School of Business) (Dean, School of Technology)	Copperbelt University	Kitwe	23 October 2006
Lillian M Kapambwe	(Director)	NIEC School of business Management	Ndola	24 October 2006
Timothy Chilufya	(Head of Department – Degree Programs)	Zambia Insurance Business College (ZIBC)	Ndola	25 October 2006
Adamson Katonko Douglas Banda Virginia Khondowe Rangton P Banda Stephen L Phiri Clement Handa	(Lecturers)	Zambia Insurance Business College (ZIBC)	Ndola	26 October 2006
Cephas Chabu	(Treasury Manager)	National Savings and Credit Bank (NSCB)	Lusaka	26 October 2006
S K Gulati Henry Mwanza Lengwe Chanda Musebu Sichula	(Manager, Research and Consultancy) (Lecturer: Corporate Finance) (Lecturer: Banking Operations) (Lecturer: Monetary)	Zambia Centre for Accountancy Studies (ZCAS)	Lusaka	27 October 2006

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List of People Interviewed

Who		With	Where	When
Name	Title		(See map at end)	
Joseph M Moonga	and Financial Systems, Statistics) (Lecturer: Information Systems Management)			
Gerald Chimbukuma	(Lecturer: Financial Reporting Analysis and Planning)			
Fatima Mandhu	(Lecturer: Banking Law and Practice)			
Derick Kalunga	(Lecturer: Financial Accounting)			
Joy Kwenda	(Lecturer: Introduction to Management)			
Patrick P Phiri	(Lecturer: Financial Accounting)			
Mwewa Besa	(Lecturer: Marketing of Banking and Finance; Financial Mathematics)			
Mercy Chongo	(Accountant)	ZIBFS	Lusaka	27 October 2006
Edward Manda	(Lecturer and Executive Director)	Walk Tall Tuition Centre	Lusaka	31 October 2006
S M Kauti	(Human Resources Manager/Lecturer)			
M Silanda	(Lecturer: Accounting)			
F C Lwando	(Lecturer: Financial Reporting)			
Emmanuel Chileka	(Lecturer: Information Technology)			
E Mununga	(Lecturer: Marketing/Information Technology Management)			
D Chama	(Lecturer: Quantitative Methods)			
Simomo S Akapelwa	(Managing Director)	Elite Insurance Brokers Limited	Lusaka	31 October 2006
Leonard Mwanza	(Finance Manager)	National Savings and Credit Bank (NSCB)	Lusaka	1 November 2006
M Katama	(Human Resources)			
Felix N Mfula	(Deputy Governor, Administration)	Bank of Zambia (BoZ)	Lusaka	1 November 2006
Peter Mbewe	(Assistant Director, Human Resources)			
Sherry Thole	(Director)	Bankers Association of Zambia (BAZ)	Lusaka	1 November 2006

List of People Interviewed

Who		With	Where	When
Name	Title		(See map at end)	
Brian K Tembo	(Marketing and Public Relations Manager)	Lusaka Stock Exchange (LuSE)	Lusaka	1 November 2006
Bursch C Nketani Patrick C Chupa	(Head of Human Resources) (Head of Training)	Zambia Revenue Authority (ZRA)	Lusaka	2 November 2006
Josephine Phiri Emma Miti	(Director) (Director)	Zambia National Building Society (ZNBS)	Lusaka	3 November 2006
Webby Mate	(Executive Secretary)	Association of Microfinance Institutions of Zambia	Lusaka	3 November 2006
Kaitano Chungu Liz Sondashi Lillian Mumba	(Director) (Education and Training Officer) (Membership and Administration Officer)	ZIBFS	Lusaka	3 November 2006

A2 | Interviews

A2 | Interviews

Interview

Date:	16 October 2006
Person(s) interviewed:	Elizabeth (“Liz”) Sondashi Education and Training Officer, ZIBFS^{1/}
Project Consultant(s):	Tony Grier Nathan De Assis

Objective(s)

- To formally introduce ourselves and the project’s mission.
- To obtain background information.
- To visit the ZIBFS (ZIBFS) premises.
- To observe how the ZIBFS staff functions on a daily basis.

Ms Sondashi has been instrumental in arranging many of the upcoming visits/interviews needed to round out the scoping mission. She has also been very instrumental in providing background materials such as the Prospectus 2006 of ZIBFS, a brochure containing the course offerings under the three educational programmes: certificate programme, diploma programme, and degree programme.

- ZIBFS’s workshop/seminar offerings for 2006.
- ZIBFS’s Constitution.
- Memorandum of Understanding between Copperbelt University of Zambia and ZIBFS.
- List of corporate members of the Institute.
- ZIBFS’s organisation chart and related job descriptions.
- Summary of revenues and expenses for 2004 and 2005; revenue/expense budget for 2006.
- Document: Charter of the Alliance of African Institutes of Bankers.
- Syllabi for the three educational programmes: Certificate Programme, Diploma Programme and the Degree Programme.

^{1/}

Note that, as of 2005, the official name of the Institute is ZIBFS (Zambia Institute of Banking and Financial Services), replacing the former name “ZIoB” (Zambia Institute of Banking).

During our tour of the premises and introduction to staff members (three were present), she provided us with:

- a sample test;
- a sample test answer booklet;
- a sample (blank) certificate; and
- the October (?) 2006 issue of ZIBFS's newsletter, in the form of a glossy magazine called "The Banking and Financial Services Magazine".

Ms Sondashi is very knowledgeable about the Institute and knows many of the main players in most of the financial institutions in Zambia.

She reiterated the reason for the project: to seek expert help in revising the syllabi of the educational programme; no revision was undertaken since the beginning of 2000.

She indicated that government legislation was being proposed to strengthen the status of the Institute as the sole provider of the educational programme certificates, diplomas, and degrees.

The number of programme applicants continues to rise. Ms Sondashi mentioned that about 2,000 persons in all sat for the April and October 2006 exams (about 1,000 each).

Follow-up Action

We asked to chat with her accountant, who is currently on maternity leave, before scoping mission closes early November. She said she would call the accountant in to meet with us.

Interview

Date: 17 October 2006

Person(s) interviewed: David Chewe
President, ZIBFS

Project Consultant(s): Tony Grier
Nathan De Assis

Objective(s):

- To discuss ZIBFS's mission and vision from the newly appointed president's perspective.
- To obtain background information.
- To canvas ZIBFS's strengths and weaknesses.

Mr David Chewe just recently resigned as Chief Operating Officer at Barclays Bank in Lusaka and will assume a management position with Zambia National Commercial Bank, the largest bank in the country and also the only one still government owned.

Mr Chewe reminded us that the position of President of ZIBFS is voluntary and he has been involved with the Institute since its connection to the UK Chartered Institute of Bankers. He firmly believes in the development and success of the Institute and therefore does not mind the non-remunerative aspects of the position.

He provided background information such as:

- The need to spin off from the UK entity due to increasing fees which is beyond the means of local students and bankers.
- The creation of a centre of learning which could offer quality courses and persuade the large international banks in Zambia to consider the Institute's offerings in addition to their in-house training philosophy.
- Providing Zambian relevance in course offerings.
- Focus on training and education for people working in banks, people with non-banking experience seeking to work or advance in banks and students wanting to start a career in banking.
- Zambia's Institute was modelled after those of Zimbabwe and South Africa.
- Copperbelt University of Zambia was chosen as a partner for the degree programme because they were the only school offering a finance curriculum.

Mr Chewe emphasised that skill requirements are continuing to evolve and the market in Zambia must respond to changes in the financial markets, thus the name change early 2000 to Zambia Institute for Banking and Financial Services (ZIBFS).

Although Zambia has weathered a financial crisis in the early 1990s, which saw a systemic failure and total restructuring of the banking sector, the current situation is one of growth and stability. This is shown by the ever increasing number of students which apply for the degree programme (student applications actually rose during the banking crisis while the number of

bank employee participants for seminars and courses fell). He mentioned that more than half of the banks in Zambia are managed still by people with non-banking backgrounds.

Mr Chewe's vision: to be the top class provider of bank and financial services training. He expects to accomplish this through:

- ongoing meetings and contact with banks' top management;
- responding to their needs in training and staff skills; and
- reminding the banks, in particular, that "this is your Institute and you should get 'value' for the fees you pay."

The overall objective is to have the Institute perceived as "credible and professional."

We asked Mr Chewe to summarise his view of the Institute with a SWOT analysis:

Table A2.1: Strengths and Weaknesses

<p>Strengths</p> <ul style="list-style-type: none"> • origin as "brainchild" of the banks • industry backing • local and international recognition • dedicated staff and management committee • surplus financial situation 	<p>Weaknesses</p> <ul style="list-style-type: none"> • lack of "charter" or legislation that makes the Institute unique • inadequate staff capacity to keep up with the growing demand • weak resources for books and course material development
<p>Opportunities</p> <ul style="list-style-type: none"> • name change points to "massive potential" in financial services • consulting services such as training needs analysis • expansion of resource materials 	<p>Threats</p> <ul style="list-style-type: none"> • member withdrawals • any competitor from whatever source • other institutions failing to meet certificate/diploma/degree standards set by ZIBFS

Follow-up Action

We asked Mr Chewe for data on the number of seminar participants and any evaluations they may have submitted. He promised to get back to us.

Interview

Date: 18 October 2006

Person(s) interviewed: Sidney Mwaba
Former Director, ZIBFS

Project Consultant(s): Tony Grier
Nathan De Assis

Objective(s):

- To discuss ZIBFS's mission and vision from a former acting Director's viewpoint.
- To add to insights offered by newly appointed President and any other previous Directors.

The position of Director of ZIBFS is to handle the day-to-day management of the Institute. Mr Sidney Mwaba performed that function from 1994 to 2003. He was the first full-time Director.

Mr Mwaba made the following points and observations about his directorship:

- The Institute was initially an exam administrator for the banking certificate.
- He organised a committee of senior-level bankers in Zambia to study banking needs.
- One major outcome was the extension of the UK-based certificate to a diploma and then a degree level.
- The three-stage programme streamlined the UK's Chartered Institute of Bankers (CIB) subject matter and made it more responsive to the Zambian environment.
- This process involved CIB's input and review.
- To reinforce the degree aspect of the programme, a partnership with Copperbelt University was established.
- The Institute is responsible for the certificate and diploma and takes joint responsibility with Copperbelt for the degree.

Mr Mwaba feels that his greatest achievement was the establishment of the three-stage educational programme and the winning of brand recognition in the banking community within a reasonably short period of time.

The initial target audience were bankers, then school leavers employed by banks, then students, in that order.

Seminar and workshop delivery started earlier on during the degree programme development as Mr Mwaba pursued a policy of ongoing consultations with bankers. The seminars and workshops were a direct response to requests for training on topical matters. Seminars and workshops were viewed as a complement to the educational programme.

We asked Mr Mwaba to summarise his views of the Institute's position with a SWOT analysis.

Table A2.2: Strengths and Weaknesses

<p>Strengths</p> <ul style="list-style-type: none"> • is responsive to needs of bankers • has brand recognition because of the 3-stage educational programme • promotion and adherence to the Charter of the Alliance of African Institutes of Bankers (CAAIB) 	<p>Weaknesses</p> <ul style="list-style-type: none"> • fell behind in membership enrolment • late in offering programmes for school leavers • insufficient number and frequency of seminars
<p>Opportunities</p> <ul style="list-style-type: none"> • growth in bank and financial services sector and corresponding growth in number of staff to be trained • economic growth and stability in Zambia which should sustain growth in the financial sector 	<p>Threats</p> <ul style="list-style-type: none"> • political barriers or resistance to an official "charter" for ZIBFS to allow it to protect its brand

Interview

Date: 18 October 2006

Person(s) interviewed: Kaitano Chungu
Director, ZIBFS

Project Consultant(s): Tony Grier
Nathan De Assis

Objective(s):

- To discuss ZIBFS's mission and vision from the new acting Director's viewpoint.
- To obtain his vision and basic strategy for goal achievement.
- To cull his preliminary input into the project's mission.

Unlike the Presidency, the Director of ZIBFS is remunerated. Mr Chungu is taking over the duties of the out-going Director, Mr Pinalo Chifwanakeni.

Mr Chungu is an ex-Citibank staff, a former CEO of ZANACO and has held executive positions in several financial institutions both at home and abroad. He accepted the Director's position of ZIBFS because this would be "an interesting change for me to take on the head of a training institute". During his banking career, Mr Chungu noticed and was dismayed at the gaps in peoples' knowledge and skills required to run an effective bank. He saw many training programmes which benefited basically lower-level staff but which are doomed to be replaced by outsourcing and developments in technology.

According to Mr Chungu, the Institute is an excellent vehicle to make improvements in the training apparatus with an aim to make its educational programme completely accredited and recognised on a regional and international scale. Meeting international standards is key. That is his vision.

He further likes and believes in the notion of a broader definition of banking to encompass that of financial services—including insurance, pension plan and financial market activities.

He would one day like to see a syllabus that bridges the gap between banking and other financial services. To train people capable of moving from one activity to another with professional ease.

Mr Chungu is most interested in the recommendations of the training needs analysis project and is very favourable to running tailor-made training programmes for individual banks and developing a continuous professional development programme (CPD).

On the ZIBFS position right now, Mr Chungu expressed his view with a SWOT analysis as following:

Table A2.3: Strengths and Weaknesses

Strengths <ul style="list-style-type: none"> • recognised educational programme • brand name recognition • devoted staff 	Weaknesses <ul style="list-style-type: none"> • skills and knowledge mismatch between certificate holders and actual on-the-job performance: "what is learned just doesn't tally."
Opportunities <ul style="list-style-type: none"> • getting closer to banks 	Threats <ul style="list-style-type: none"> • status quo attitude from regulators and

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<ul style="list-style-type: none">• broaden the syllabi• re-instate strategic alliance with other African banking institutes following period of stagnation	lawmakers
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Interview

Date: 19 October 2006

Person(s) interviewed: Roger Namate Simasiku
Examiner, ZIBFS

Project Consultant(s): Tony Grier
Nathan De Assis

Objective(s):

- To understand the role of one of the many examiners hired to prepare exams for ZIBFS's education programme.
- To find out how examiners in general are adapting exams to encompass the shift towards financial services.
- To get on examiner's views on the relevancy of course syllabi to the banking and financial services world.

Mr Simasiku is an economics professor at the University of Zambia. As a part-time activity he prepares exams for courses offered on ZIBSF's three-part educational programme. Currently, this includes the Economics course (given under the certificate programme) and Money and Financial Systems (given under the diploma programme).

Mr Simasiku made the following points and observations about his role as an examiner:

- As examiners, we are not involved in teaching the course.
- Course syllabi have not changed since the new initiative of including financial services beyond banking.
- We now try to accommodate other financial institutions in recognition of the broadening of financial services by adapting the exams as we go.

One of Mr Simasiku's chief concerns is for those students who study at home or who do not attend full-time classes. He has noted that these students perform poorly on exams. As a result, they have become "disadvantaged".

He offered possible solutions which, the Consultants feel, could be a source of new revenue for ZIBFS, namely,

- offer special revision classes, and/or
- tutorial arrangements.

Asked how the examiners prepare a course exam, Mr Simasiku said that they are given the course syllabus and, with the text recommended by the course instructor or professor, an exam is put together. The course instructor must agree with the final draft. Moderators are then used by ZIBFS to review the exams (editing, language and format consistency.) for quality control.

Since becoming an examiner, Mr Simasiku has not seen nor heard of student cheating or inappropriate conduct during exam sittings. ZIBFS's monitoring and exam collection systems are pretty tight.

One major weakness he sees in the process is the fact that he and other examiners must provide a pre-typed electronic version (on a diskette or CD, for example) to ZIBFS. He feels this leaves an opening for abuse. His solution: exams should come from the examiner in manuscript form and then typed to avoid fraudulent modifications.

Another weakness, according to Mr Simasiku, is the lack of involvement in the examination process. "We prepare the exam, mark it, and go," he said. It would be beneficial for all if the examiner could discuss the results as well, he maintains.

The Consultants brought up the subject of accreditation. Mr Simasiku thinks that it is an excellent idea and worth pursuing. That would require review of ZIBFS courses and exams by other professional bodies. "Banking is a global profession," he emphasised, "so it is normal that others review and give their opinion."

Interview

Date: 20 October 2006

Person(s) interviewed: George Mpundu Kanja
Examiner, ZIBFS

Project Consultant(s): Tony Grier
Nathan De Assis

Objective(s):

- To understand the role of another one of the many examiners hired to prepare exams for ZIBFS's education programme.
- To find out how examiners in general are adapting exams to encompass the shift towards financial services.
- To get an examiner's views on the relevancy of course syllabi to the banking and financial services world.

Mr Kanja is a lecturer at the University of Zambia's School of Law. He is also a law partner in the firm Palan and George Advocates. He prepares exams relating to financial law courses offered on ZIBFS's three-part educational programme. He also teaches two courses in the programme ("Banking Law and Practice" and "Residential Lending and Property Law"); further, he is called upon to merge syllabi to make sure that banking topics include expansion into financial services topics as well. Overall, he sees his objective as making exams and syllabi relevant to Zambia law.

Mr Kanja also serves as a Moderator for ZIBFS which involves reviewing exams prepared by other examiners for language, consistency, and accuracy to the syllabus.

During the interview he made the following points and observations about his role as an examiner:

- He does not have, as a rule, contact with other examiners for ZIBFS.
- He follows Zambian law as closely as possible in exam preparation and in his own courses.
- He is dedicated to broadening subject matter to include not only banks but other financial institutions as well.

Mr Kanja has noted that some students perform well on the exams while others do not. Those that perform well are generally the full-time students; those that show major weaknesses are those students who study at home or who do not attend full-time classes. Although the latter group is small compared to the overall group of exam takers, it draws attention to the possible failings of the programme as a whole.

Similar to the interview with Mr Simasiku of 19 October 2006, Mr Sanja offered possible solutions which could be a source of new revenue for ZIBFS, namely:

- Offer special revision classes, and/or
- Tutorial arrangements.

He thinks, however, that the onus is on the student to contact the Institute for that extra assistance.

Asked how the examiners prepare a course exam, Mr Sanja reiterates Mr Simasiku's remarks that the examiner is given the course syllabus and, with the text recommended by the course instructor or professor, an exam is put together. The course instructor must agree with the final draft. Moderators are then used by ZIBFS to review the exams (editing, language and format consistency.) for quality control. As a Moderator, Mr Kanja is fully aware of and supports this process.

But very importantly, Mr Sanja feels that the process should include a third-party check from, say, abroad as had been the case some years ago when the exams were sent to London's Institute for verification. This, he feels, would add enhanced credibility to certificate, diploma, or degree offered in the name of ZIBFS.

He also feels that ZIFBS lecturers should undergo rigorous pre-selection procedures which would make sure that they are highly qualified in their particular field.

We thanked Mr Kanja for his time and insights into the examination process at ZIFBS.

Interview

Date: 20 October 2006

Person(s) interviewed: Liz Sondashi
Lillian Mumba
Bwalya Mupeta
Abraham Kasanga
Full-time staff, ZIFBS

Project Consultant(s): Tony Grier
Nathan De Assis

Objective(s):

- To involve the full-time staff in the training needs analysis project development.
- To gauge staff awareness of the importance of the project.
- To enlist further staff support as the project progresses.
- To capture staff views on working conditions.
- To seek staff opinion on the future prospects of ZIFBS and their role in the organisation.

Much of the work at ZIFBS revolves around the exams for the three-part programme: certificate, diploma, and degree.

Staff members were very grateful that the Consultants wanted their opinion about the way things are or should be. The comments offered are given below.

- We would like better coordination between us (the staff) and the Council.
- The legislation concerning ZIFBS's status is too slow in coming.
- Complaints have been received from some bankers that students do not feel they are getting the right qualifications. Example: many bankers are looking for accountants rather than banking generalists.
- The premises are deplorable: not big enough, library too small—in short, the image does not reflect that of the banks.
- A Governor visited the premises in 2005 and was appalled at the conditions. We saw no improvements since.
- Transport needs are chronic; it is awkward to share the Director's vehicle.
- Proper staff additions would include: an examination officer (top priority), a librarian, a marketing person, an educational director and his/her support staff.
- It is recommended that students be represented on Council; this would add credibility and sensitivity to needs at the highest level.
- The Central Bank is officially the Secretariat but we feel they are doing nothing to help us in our daily tasks.

- Banks continue to do their own in-house training; we feel ZIBFS should be doing all of the training; after all, what are the banks paying membership fees for?
- It seems that most members of Council are “dormant.”
- A special retreat for students and examiners would boost credibility.
- If we are asked to do a training workshop, for example, everything else must stop, especially the exam process; so it is imperative that a person be hired whose job is to ensure processes continue without interruption.
- Some colleges are not paying their affiliation fee; this is a serious issue since it revolves around financial sustainability; we do all the exam work for these colleges and get no financial return; plus some are giving accreditation without our knowledge.
- Any project funding forthcoming? We had some in previous periods.
- There should be no “tug of war” with the banks and the colleges because we are their creation.
- A review of staff salaries is essential for motivational reasons. We should not have to beg.
- The Council itself needs people who are dedicated.
- Looking forward, we would like to offer better value such as a larger and well-stocked library; textbooks and case studies written with the Zambia context in mind.

The Consultants made no promises but agreed to review these comments and integrate them as closely as possible into the project recommendations.

Interview

Date:	20 October 2006
Person(s) interviewed:	David Chewe President, ZIBFS
	Ruth Mwalusi Ngulube Council Member, ZIBFS
Project Consultant(s):	Tony Grier Nathan De Assis

Objective(s):

- To discuss ZIBFS Council's mission and vision.
- To better understand the Council's purpose and function

Per our interview of 17 October 2000, Mr David Chewe was recently the Chief Operating Officer at Barclays Bank in Lusaka and will assume a management position with Zambia National Commercial Bank, the largest bank in the country and also the only one still government owned. He is the President of ZIBFS's Council.

Ms Ruth Mwalusi Ngulube is the Cash Product Manager at Citigroup Corporate and Investment Banking in Lusaka. She sits as a member of ZIBFS's Council.

The interviewees, Mr Chewe and Ms Nugulube, provided united versions of purpose and vision, namely that the Council should work towards establishing ZIBFS as:

- one of the premier organisations in the financial community of Zambia; and
- the number one provider of financial services education.

The Council consists of:

- a President and a Deputy President, both of whom shall be senior executives of a Corporate Member (of the Institute);
- a Secretary;
- a Treasurer; and
- not more than nine other persons nominated from among senior executives or senior management staff of Corporate Members.

The primary responsibilities of the Council are the overall supervision and day-to-day conduct of the affairs of the Institute and, subject to the ZIBFS Constitution, any directions given by the Institute through a General Meeting.

To carry out its responsibilities, the Council currently has four subcommittees: education, membership, materials/publications, and skills development. A full-time staff of five falls under the Council's supervision (see organisational documentation discussed in our 16 October 2000 interview with Elizabeth ("Liz") Sondashi, Education and Training Officer, ZIBFS).

The Consultants pointed out that their primary focus in talking to Council members and other "stakeholders" is the sustainability of the Institute and how it could offer a broader base of services.

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In response, the interviewees cited the following needs:

- To tighten collection of accreditation fees from other organisations that offer the degree programme.
- To reinforce skills development courses to Corporate Members.
- Add a marketing unit that would develop new business.

In the meantime, the Council faces challenges which include:

- Waning appreciation of the three-part education programme.
- Inadequate capacity to develop training programmes for Members.
- Limited staff.
- Infrastructure issues, primarily the small and less than presentable premises which house the Institute.

The interviewees look forward to the Consultants' conclusions and recommendations at the end of the scoping mission to help address those challenges.

Interview

Date:	23 October 2006
Person(s) interviewed:	<p>Dr S Chama Dean, School of Business Copperbelt University</p> <p>Dr Libati Dean, School of Technology Copperbelt University</p> <p>Professor F Tailoka Lecturer, Mathematics</p> <p>Mutwambi Bruce Mwiya Lecturer</p>
Project Consultant(s):	<p>Tony Grier Nathan De Assis</p>

Objective(s):

- To discuss Copperbelt's relationship with ZIBFS.
- To understand any issues both institutions have with the running of the degree programme.

This was the Consultants' first interview upon arrival in the northern city of Kitwe which is located in the region where large copper fields abound, hence the name of the university.

ZIBFS linked with Copperbelt University (CBU) in April 2003 to extend its certification programme beyond the certificate and diploma in banking and financial services. The purpose was to "pioneer" a collaboration with an institution of higher learning similar to banking institutes in other countries such as South Africa.

The workings of the collaboration call for joint administration of a degree programme. CBU receives a affiliation fee from ZIBFS and in return is responsible for:

- facilitating the registration of students;
- ensuring that tutors provide the requisite quality of educational service;
- making administrative arrangements for the examinations;
- processing examination results;
- advising students on academic matters; and
- liaising with ZIBFS on all aspects of the degree programme.

The degree is known as a Bachelor of Science in Banking and Finance and consists of the Certificate Programme, the Diploma Programme (Parts one and two), and the Degree Programme. The CBU is not directly involved in the teaching of the certificate and diploma stages. At stage three, however, CBU is responsible for the delivery of full-time/part-time degree studies and distance learning for the degree studies.

The interviewees indicated that it was the Institute that contacted CBU when it realised that its certification programme required academic affiliation. CBU was selected for its nationwide quality of education reputation.

According to the interviewees, the degree programme is up-to-date in its offerings of relevant banking and financial markets courses. Perhaps the addition of studies in SME lending would be an attraction. Otherwise, the degree programme already has a simulation of specialisation through its elective choices. The interviewees feel that the diploma programme can benefit from some modifications and/or additions to its list of courses to bring about relevancy to the banking and financial services industry.

Interview

Date: 24 October 2006

Person(s) interviewed: Lillian M Kapambwe, Director
NIEC School of Business Management, Ndorla

Project Consultant(s): Tony Grier
Nathan DeAssis

Objective(s):

- To discuss firsthand the working relationship with ZIBFS and other learning institutions which offer the banking courses.
- To understand any issues these institutions might have with regards to the delivery of materials on the banking courses.

Ms Lillian M Kapambwe is the Director of NIEC School of Business Management, Ndorla, an hour's drive from Kitwe. NIEC stands for National Import-Export Company which is a defunct government-own entity. The School of Business Management started out as training centre for employees of the erstwhile entity. When NIEC was closed, the training centre-turned-school was allowed to continue operations and has survived by opening its doors to the general public.

Ms Kapambwe seems to be running a tight ship but is hampered by lack of clarity with Zambia government concerning board composition and who takes what responsibilities. Fortunately, the School is self-sustaining as the student fees cover its operations. That is, no government subsidy is necessary.

The School currently has some 300 students and takes in three billion kwacha in annual fees.

There is a bit of a conflict with ZIBFS, according to Ms Kapambwe. For one thing, the School's exams are in June and December. The degree programmes exams are in April and October. So the School is out of kilter with ZIBFS. Results are not fed back to the School but are given directly to the students; Ms Kapambwe feels the School should be the recipient of the results for announcement to the students.

The School currently has only five students enrolled in the degree programme—a very poor showing, says Ms Kapambwe. When cooperation with ZIBFS first started the School had upwards of 10 students. She attributes the falloff to the higher fee structure of the degree programme and the limited nature of the courses, that is, the focus on banking.

Ms Kapambwe is looking for options to solve the low student enrolment in the banking certificate and diploma programme. These include:

- compressing the courses to fit the semester system for June and December examinations; and
- offer six instead of the current three being offered; this would enable the student to finish more quickly.

She feels that the Institute could be more influential and helpful at expanding enrolment with her school by:

- setting up a placement programme for those nearing completion of the degree;

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- providing better materials in the form of books and ancillary materials;
- considering distant learning programmes which we have successfully launched; an
- publicising the programme more aggressively and widely.

Banks could also help by insisting on “paper qualifications” when hiring, that is, requiring the degree or at least the certificate and diploma in their hiring policies.

Interview

Date: 25 October 2006

Person(s) interviewed: Timothy Chilufya, Head of Department – Degree Programmes, Zambia Insurance Business College (ZIBC), Ndorla

Project Consultant(s): Tony Grier
Nathan DeAssis

Objective(s):

- To observe the insurance industry's method of delivering courses under ZIBFS certification programme.
- To understand any issues the industry may have with the banking certificate and diploma syllabi.

The Consultants were warmly received by Mr Timothy Chilufya who is the Head of Department – Degree Programmes at ZIBC.

According to Mr Chilufya, the ZIBC takes in an average of 15-20 students per year under the banking programme for the certificate and diploma. They have been working with the Institute for the last five years.

Mr Chilufya feels that the Institute plays a pivotal role in the banking industry, but from his experience banks are not really looking for such a high level of training which offers a degree. The certificate level is suitable provided it is further adapted to the needs of the marketplace. He blames the slow pace of restructuring and revision of syllabi at the Institute for the sense of loss of relevance.

For Mr Chilufya, the most pronounced weakness with ZIBFS is the lack of marketing itself and its courses. Even the name change from ZIoB to ZIBFS was not fully explained to the financial community.

Another weakness is the lack of direct contact on administrative matters. For example, exam results are given directly to the students; ZIBC has to ask the students themselves how they did on the exams.

"We, therefore, think that communications should be improved with the Institute," he said. This goes for better contact with students, too. The Institute should allow student input through suggestions and ideas into the course and syllabi content.

The syllabus tended to be too theoretical but is slowly changing to reflect needs in finance.

Mr Chilufya agreed with the Consultants on the idea of specialisation at the diploma level. "It sounds like a very good idea," he said. "It would seem to be more for a student with previous financial work experience. Therefore, leave the regular diploma intact for school leavers".

Mr Chilufya pointed out that the Institute is yet to provide adequate materials. His college is forced to come up with its own materials in most cases which gives the lecturers too much leeway in the way they deliver the course. In other words, it leads to inconsistency in the programme.

Interview

Date:	26 October 2006
Person(s) interviewed:	Lecturers: Adamson Katonko Douglas Banda Virginia Khondowe Rangton P Banda Stephen L Phiri Clement Handa Zambia Insurance Business College (ZIBC), Ndorla
Project Consultant(s):	Tony Grier Nathan DeAssis

Objective(s):

- To obtain the viewpoint of lecturers involved in delivering courses under the ZIBFS degree programme.
- To understand any issues the lecturers may have with the degree syllabus.

Mr Timothy Chilufya, Head of Department – Degree Programmes at ZIBC (see Interview of 25 October, 2006) organised our meeting with the six lecturers.

The Consultants reiterated the reason for the visit, namely that of a scoping mission to obtain as much information as possible for a training needs analysis with a view towards revising the ZIBFS syllabi. The Consultants positioned the mission around the dual objective of sustainability of ZIBFS and growth in the student base.

It was generally agreed that if we grew the student base, the first objective would be largely met.

Mr Rangton Banda pointed out that a syllabus was just a guide and, in the absence of suitable materials (a criticism of the Institute), that each lecturer is left to their own devices as to how to deliver the course in question.

Mr Phiri said that the topics on the degree programme were vague and should be more specific. For example, Risk Management, what “risks”; or what does Strategic Marketing Management really mean?

Most lecturers present thus agreed that the syllabi (including the certificate and diploma programmes) should be revised. Mr Phiri pointed out that because of recent revision for law-related courses, students and lecturers had a clearer grasp of their content. He said that examples of law should not be limited to only Zambian law. We can all learn from cases in other countries as well.

Other lecturers present agreed and said all courses should embrace as widely as possible international examples in their presentations.

The lecturers were less open to the idea of a “specialisation” diploma. The Consultants suggested that one way to make the diploma more relevant to evolving market conditions is to allow a student to add courses to the current diploma programme which would fall in the student’s area of interest. Such as leasing courses for a specialisation in leasing; or microfinance courses for a specialisation in microfinance and so on. The student would

therefore be awarded a diploma with a specialisation which, theoretically, could enable an enhanced profile for job seeking.

After some animated exchange, the lecturers agreed that allowing optional courses or electives would achieve the same objective. A separately defined diploma would have to be reviewed carefully before further discussion.

In summary, the lecturers complained that they seem to be left on their own to administer the degree programme courses. Enthusiasm is waning because the Institute does not carry out any marketing. Inadequate materials', including lack of text books, is no way to run the programme and have it offer any credibility.

Interview

Date: 26 October 2006

Person(s) interviewed: Cephas Chabu
Treasury Manager
National Savings and Credit Bank (NSCB)

Project Consultant(s): Tony Grier
Nathan DeAssis

Objective(s):

- To obtain a perspective from someone who has completed the degree programme.
- To seek the degree holder's opinion on syllabi content—past, present, and future.

Mr Cephas Chabu recently joined NSCB as Treasury Manager, after several years with Invest Trust Bank. Much of the credit for his new position, he said, he owes to obtaining the degree in Banking and Finance.

Mr Chabu is one of the few who went through the three-stage programme. He started, however, when the programme was administered by the Chartered Institute of Bankers (London). This was in 1995.

Because he was working for Invest Trust Bank at the time, he entered the certificate programme on a part-time basis. He completed the certificate in two years and then went on to the diploma programme which he also completed in two years. However, the diploma programme only had half of the courses offered now. Under the revised diploma programme, he had only to complete the course Banking Operations, Lending and International Business to be awarded the diploma. He then followed with the degree programme which he completed in one year (compared to the two years necessary to complete it today). The completion year was 2001.

Courses such as Operations Research, Strategic Management, Lease and Project Financing, and Insurance and Pension Management were not available during his degree programme studies. He pointed out that he financed the three programmes primarily with loans from Invest Trust Bank which he repaid in full before leaving that bank for NSCB.

Mr Chabu appeared pleased with the programme and does not regret having pursued the degree. He said he enjoyed courses such as Monetary and Financial Systems, Corporate Finance, Strategic Marketing Management, and Risk Management. These courses were particularly useful in continuing his work with First Invest Trust as it helped to clarify much of his day-to-day activities in lending and customer relations.

The latter courses helped in assuming his present responsibilities, providing good overviews for treasury operations—especially the course Monetary and Financial Systems. In short, he found those courses to be very relevant to the banking and finance industry.

Some courses, on the other hand, seemed to overlap. For example, Financial Management was almost a repeat of Corporate Finance and Risk Management.

After obtaining his degree, Mr Chabu went on to pursue a Masters of Science (MSc) in Strategic Management. He regrets that the Operations Research and Strategic Management courses now offered in the degree programme were not offered at the time. This would have permitted him to study more easily for the MSc.

Mr Chabu made the following suggestions for an improved degree programme:

- Offer more courses on financial markets.
- A course on Stock Exchange operations is a must.
- “Field trips” to regional stock exchanges, such as in South Africa and Zimbabwe, would be very useful.
- Alternatively, offer seminars conducted by market experts from the regional or international stock exchanges.
- Pension funds operations are a “must know” today. Exposure should be given degree students to better equip them for the evolving financial markets in Zambia.

Interview

Date:	27 October 2006
Person(s) interviewed:	S K Gulati, Manager, Research and Consultancy Zambia Centre for Accountancy Studies (ZCAS)
	Lecturers: Henry Mwanza, Corporate Finance Lengwe Chanda, Banking Operations Musebu Sichula, Monetary and Financial Systems, Statistics Joseph M Moonga, Information Systems Management Gerald Chimbukuma, Financial Reporting Analysis and Planning Fatima Mandhu, Banking Law and Practice Derick Kalunga, Financial Accounting Joy Kwenda, Introduction to Management Patrick P Phiri, Financial Accounting Mwewa Besa, Marketing of Banking and Finance; Financial Mathematics
Project Consultant(s):	Tony Grier Nathan DeAssis

Objective(s):

- To obtain the viewpoint of lecturers involved in delivering courses under the ZIBFS degree programme.
- To understand any issues the lecturers may have with the degree syllabus.

Mr S K Gulati, Manager, Research and Consultancy at the Zambia Centre for Accountancy Studies (ZCAS) organised our meeting with 10 of ZCAS lecturers.

The Consultants introduced themselves by providing the reason for the visit, namely that of a scoping mission to obtain as much information as possible for a training needs analysis with a view towards revising the ZIBFS syllabi and proposing a training and education strategy. The Consultants positioned the mission around the dual objective of sustainability of ZIBFS and growth in the student base.

As lecturers proceeded around the table to give their views on working with ZIBFS, it became clear that this was the Consultants' most negative meeting to date.

Essentially the messages were:

- No form of formal communication with ZIBFS (for example, the October 2006 exam had been postponed one month and ZCAS was not informed; "we found out from students," said Mr Gulati and others).
- Problems pointed out in previous studies are still there. Examples: Materials and books have not been provided, some books eventually provided but they were from Tanzania and had Tanzanian examples.
- No teaching guidelines.

- The Institute seems to pay more attention to CBU (Copperbelt University) than anyone else; they don't seek out input.
- The exams seem to be prepared by people who appear to be out of touch.
- Disconnect between the syllabi and the exam questions; for example the Financial Planning, Analysis and Reporting syllabus (a diploma level course) clearly states coverage of IAS/IFRS norms. The exam gives questions using the old UK accounting standards. In the same exam, questions relating to certificate level—or basic concepts—were asked. “This only leads to confusing for the tuition providers and the students alike,” according to a memo sent by one of the lecturers, Mr Chimukuma, to Mr Gulati, the Manager.
- Other lecturers present chimed in their total agreement saying they had their own examples of such shoddiness in syllabus-exam contradiction. One exam had actuarial questions in a finance course, Mr Besa pointed out. “There's a difference between financial mathematics and actuarial calculations. They're two different professions!” he said.
- “No tables or graph paper included in the math exam as is standard practice,” said Ms Sichula (Monetary and Financial Systems, Statistics courses).
- She further says that exams are missing basic instructions, like not talking to your neighbour or not taking the exam with you to the restroom.
- “Whoever sets the exams may not understand the subject matter,” said another lecturer. “It's a mystery as to who writes the exams! Where are the moderators who are supposed to check the exams for consistency?”
- “Conclusion: moderators are not doing their job!” they all exclaimed.
- “We are talking about the new syllabi, not yet another revision. In other words, we are here at this meeting doing a ‘post mortem’ on something that was already done and which has not lived up to our expectations.” said Mr Gulati.

The Consultants registered these issues and promised to investigate to see what could be done at the Institute's end to remedy the situation as quickly as possible.

Suggestions put forward by the lecturers present:

- Improve communication with ZCAS and others through the new ZIBFS magazine.
- Syllabus weighting for each level should be reviewed (that is, so much percentage for this subject and so much for another,).
- Find suitable moderators to review exams.
- Seek lecturer input in the process.
- Review the current syllabi for overlaps in topics; where there are overlaps, the syllabus should be clear as to why a particular topic is included even though it is covered in another course.

The Consultants asked for closing remarks from Mr Gulati. “Our reputation for quality courses and quality teaching has caused a rise in the number of students enrolling in the ZIBFS programme from a mere five to almost 100 today—in the space of only two years! We do not want to tarnish that image with an incoherent exam process and lack of a basic teaching package for each course in the programme.”

Interview

Date: 27 October 2006

Person(s) interviewed: Mercy Chongo
Accountant, ZIBFS

Project Consultant(s): Tony Grier

Objective(s):

- To obtain more detailed information about ZIBFS accounting procedures.
- To go behind the actual and budget figures provided to the Consultants.

Ms Chongo indicated that she prepares primarily a profit and loss account (income statement) for ZIBFS. An accounting computer programme called Pastel generates the complete set of financial statements and she uses Microsoft Excel to keep tabs on revenues and expenses—both actual and forecast (budgeted).

The fiscal/planning year is January to December. The budget process starts in November with Council approval expected for January of the New Year.

She does not enter her own estimates of future income from the various sources. First of all, corporate fees are based on the number of staff each member reports at the end of each fiscal year and any upward adjustments are done by Council.

Discussion is held at the Council and staff level concerning the possible number of seminars for the coming year. Variances, of course, occur depending on if ZIBFS succeeds in getting the appropriate number of participants and facilitator. No target is set that says the Institute must do a certain number of seminars and workshops, according to Ms Chongo. "Sometimes we get a surprise request from a bank or other corporate member to do a tailor-made seminar and that can either make or break the budget for seminars."

For example, the year 2006 budget calls for 210 million kwacha in seminars but so far this year only two seminars have been held providing roughly 37 million kwacha in revenues. "But the year is not over yet," Ms Chongo pointed out.

She stressed that the examination process is taking up more and more of ZIBFS staff time and if a seminar were to be held, that means downtime for the certification programme and vice versa.

Ms Chongo provided the Consultant with hardcopy notes to the 2006 budget which detail each line item of the budget income statement.

Follow-up Action

The Consultant will attempt to get an electronic copy of the 2006 budget notes to attach to this summary and the final project report.

Interview

Date: 31 October 2006

Person(s) interviewed: Edward Manda, Executive Director
Walk Tall Tuition Centre

Lecturers:
S M Kauti, Human Resources Manager/Lecturer
M Silanda, Accounting
F C Lwando, Financial Reporting
Emmanuel Chileka, Information Technology
E Mununga, Marketing/Information Technology
Management
D Chama, Quantitative Methods

Project Consultant(s): Tony Grier
Nathan DeAssis

Objective(s):

- To obtain the viewpoint of lecturers involved in delivering courses under the ZIBFS certificate and diploma programmes.
- To understand any issues the lecturers may have with the degree syllabus.

Edward Manda, Executive Director, Walk Tall Tuition Centre, organised our meeting with 6 of Walk Tall's lecturers. Mr Manda is himself a lecturer at the Centre.

The Consultants introduced themselves by providing the reason for the visit, namely that of a scoping mission to obtain as much information as possible for a training needs analysis with a view towards revising the ZIBFS syllabi and proposing a training and education strategy. The Consultants positioned the mission around the dual objective of sustainability of ZIBFS and growth in the student base.

The lecturers proceeded around the table to give their views on working with ZIBFS. Many of the comments were almost a mirror reflection of the comments received from the lecturers of Zambia Centre for Accountancy Studies (ZCAS) of 27 October 2006, namely:

- No form of formal communication with ZIBFS.
- Problems pointed out in previous studies are still there. Examples: Materials and books have not been provided. Some books eventually provided but they were from Tanzania and had Tanzanian examples.
- No teaching guidelines.
- The Institute seems to pay more attention to CBU (Copperbelt University) than anyone else; they don't seek out input.
- The exams seem to be prepared by people who appear to be out of touch.
- Disconnect between the syllabi and the exam questions; for example the Financial Planning, Analysis and Reporting syllabus (a diploma level course) clearly states coverage of IAS/IFRS norms. The exam gives questions using the old UK accounting

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standards. In the same exam, questions relating to certificate level—or basic concepts—were asked.

- Other lecturers present chimed in their total agreement saying they had their own examples of such shoddiness in syllabus-exam contradiction.
- “Conclusion: moderators are not doing their job!” they all concurred.
- ZIBFS does not seem to do any marketing of the programmes. It should stress the importance of its qualifications and put them on the same level as ACCA and CIMA in the students’ eye.

Mr Manda pointed out that in absence of materials and textbooks from ZIBFS, Walk Tall is forced to put together what they can from a variety of sources, including ACCA, CIMA, and training institutions such as BPP. He feared that such a practice could lead to blatant “booklifting” which benefits no one.

He indicated that his Centre has the capacity to absorb more students in general and more ZIBFS certification students in particular. His team would jump at the chance to write materials and textbooks for ZIFBS under the right conditions, of course.

The Consultants registered these issues and promised to investigate to see what could be done at the Institute’s end to remedy the situation as quickly as possible.

Suggestions put forward by the lecturers present:

- Add some new courses to the diploma programme such as Treasury Management and Marketing to broaden the scope of the programme.
- Improve communication with Walk Tall and others through the new ZIBFS magazine.
- Syllabus weighting for each level should be reviewed (that is, so much percentage for this subject and so much for another.).
- Find suitable moderators to review exams.
- Seek lecturer input in the process.
- Review the current syllabi for overlaps in topics; where there are overlaps, the syllabus should be clear as to why a particular topic is included even though it is covered in another course.

Mr Manda closed the session with some background information on Walk Tall:

- Total students enrolled at present: 800.
- Revenues taken in per semester: 2.4 billion kwachas.
- Banking and Finance students: 58 currently (45 and 39 for the years 2005 and 2004, respectively).

He then took the Consultants on a tour of the school facilities which appeared very impressive: many classrooms in session (with seemingly full attendance), two well-equipped computer labs (one for lessons and the other for on-line examinations), lecturers’ offices, a library and a very large reading room with individual cubicles.

Interview

Date: 31 October 2006

Person(s) interviewed: Simomo S Akapelwa, Managing Director
Elite Insurance Brokers Limited

Project Consultant(s): Tony Grier
Nathan DeAssis

Objective(s):

- To obtain further opinions from the insurance sector concerning the relevancy of ZIBFS syllabi.
- To understand any issues which may have occurred between the banking and insurance professions.

Mr Simomo S Akapelwa is also the President of the Insurance Brokers Association of Zambia (IBAZ).

Education in the insurance sector in Zambia is now rather developed after an early 1980s decision to train insurance people here rather than sending them to London.

Since the creation of ZIBFS we have been toying with the idea of developing a close, working relationship with them. Perhaps in the form of a business university dedicated to banking and financial services entities.

With that in mind we feel that the syllabi presently offered by the Institute be further broadened to include topics relevant to the insurance industry, bearing in mind that banking and insurance will continue to be separate profession. But there is no reason that either professional should be ignorant of the activities of the other.

We would welcome the opportunity to forge a "partnership" with the Institute to further our mutual educational requirements. For example, Zambia practically has no trained actuaries. We generally call on foreign actuaries (Kenya and South Africa, for example). Although it is a science at the heart of insurance, the growth of and the interest in pension schemes and planning requires that we make an effort to train in that area.

Mr Akapelwa provided the Consultants with some brochures on insurance products and notably one on the HIV/AIDS pandemic in Zambia. He indicated that the insurance market has gone from complete ignorance and denial of the problem to acceptance and a proactive stance to offer appropriate products to those concerned.

Interview

Date: 1 November 2006

Person(s) interviewed: Leonard Mwanza, Finance Manager
M Katama, Human Resources
National Savings and Credit Bank

Project Consultant(s): Tony Grier
Nathan DeAssis

Objective(s):

- To obtain the opinions and viewpoint of a banking establishment on their relationship with ZIBFS.
- To understand any issues the banking industry may have with the Institute's syllabi.

The Consultants were warmly received by Messrs Mwanza and Katama of the National Savings and Credit Bank (NSCB) which is technically a non-bank financial institution set up a decade ago to make small rural-sector loans with donor funds. Its mission and activities have since changed to encompass deposit-taking and make loans to a wider clientele base.

According to Mr Mwanza, the Institute is useful because it brought us localised syllabi versus a heavily influenced UK environment subject base. People here in Zambia seem to be pushing to get some form of certification under the programmes given by the Institute.

Mr Mwanza mentioned:

- As a corporate member, we would like NSCB to be further involved in the development of the Institute—especially by putting some emphasis on microfinance topics which is our principal activity and for which we need ongoing training. If such courses or seminars were offered we would send entire teams to attend.
- In effect, we have had some unfortunate mishaps with lending to SMEs—slow or non-payment, for example—and this was attributed wholly to poor training on the part of our lending staff. We do not want to make the same mistakes again.

Mr Katama indicated that NSCB does not have an in-house training programme and would jump at the chance to use any ZIBFS sponsored programmes in SME and microfinance lending. "We encourage our people to pursue training programmes, whether it is banking or accounting," he pointed out, "and our staffs have always attended ZIBFS seminars which dealt with credit or banking operations matters."

He further pointed out that he thinks the Institute should be accredited with some internationally known training organisation to lend credence to the Institute's certification programme.

NSCB has 276 people working out of 26 branches throughout the country. There are presently 25 branch managers of which only two have the Institute's diploma.

Because the economy is growing again, particularly the agricultural sector, the bank wants to increase its penetration of lending in the rural areas. Other banks tend to be withdrawing from those areas leaving NSCB with a niche business, especially in microfinance and SME lending to the rural population.

Interview

Date: 1 November 2006

Person(s) interviewed: Felix N Mfula, Deputy Governor, Administration
Peter Mbewe, Assistant Director, Human Resources
Bank of Zambia

Project Consultant(s): Tony Grier
Nathan DeAssis

Objective(s):

- To obtain the opinions and viewpoint of the Central Bank ZIBFS.
- To understand any issues the banking industry may have with the Institute's syllabi

The Bank of Zambia is the Central Bank in Zambia and has a supervisory role, among others, in overseeing the activities of all registered banks.

The Deputy Governor, Mr Mfula, sits on the board of ZIBFS and is a member of the steering committee of Zambia's Financial Sector Development Plan (FSDP). He made the following observations:

- We have a special relationship with ZIBFS going back to its creation.
- As the Institute developed, the certification qualification gained status in the banking community.
- However, the Institute began to sit back on its laurels and was nearly eclipsed by other training institutions that were more aggressive in their expansion efforts.
- Now is the time to reclaim its past glory.
- We feel the qualification is still necessary to succeed in the banking world here in Zambia as we want to deepen our financial sector.
- But there are a number of areas where we think the qualification should be strengthened.
- These include beefing up subjects such as Financial Accounting and Treasury Management

As for the degree programme, Mr Mbewe said that it has lost relevance but that was due to the over-emphasis on thesis writing and research. He feels that once that requirement is dropped (apparently it has been in the revised syllabi for the programme), the degree could still be useful to its holders.

Both interviewees pointed out that they feel the Institute's major weakness has been the lack of marketing its brand. "The Institute has been rather quiet," they said.

"We would like the Institute to re-assert itself in the markets. It should compare itself to world standards in the field of training and seek to emulate those standards."

As for seminars, the interviewees expressed interest in topics such as:

- Dealers/Middle Management.
- Risk Management.
- Corporate Governance

Banks are doing a little bit of everything, according to Mr Mfula, and thus need a broad supervisory overview situation. Thus the idea of competing supervisory agents in Zambia does not appear to be a bad thing for the moment.

“We would like the Institute to get a new emblem since it changed its name,” he concluded.

The interviewees presented the Consultants with some recent publications by the Central Bank on the state of the economy and the banking sector and wished them luck in preparing the report on the Institute.

Interview

Date: 1 November 2006

Person(s) interviewed: Sherry Thole, Chair
Bankers Association of Zambia (BAZ)

Project Consultant(s): Tony Grier
Nathan DeAssis

Objective(s):

- To obtain the opinions and viewpoint of the Bankers Association of Zambia on the state of ZIBFS
- To understand any issues the Association may have with the Institute

As head of the Bankers Association, Ms Thole is aware that the Institute needs help and was pleased to learn that it contacted First Initiative with the request to assist it in reviewing the certification syllabi.

She noticed weaknesses in the management and orientation of the Institute during some meetings she attended as a member of Council.

The weaknesses include:

- No hands-on training.
- Weak credit skills and credit appraisal outcomes of those who obtained certification.

There should be emphasis in:

- Consumer Lending,
- SMEs,
- Corporate,
- Treasury Management,
- Account Reconciliation, and
- Product Development

Ms Thole's primary complaint was that newly hired staff with certification were ignorant of basic credit principles.

She offered to do all she can to help the Institute re-enhance its image with a credible certification programme that had topics relevant to the new and challenging financial services sector.

Interview

Date: 1 November 2006

Person(s) interviewed: Brian K Tembo, Marketing and Public Relations Manager
Lusaka Stock Exchange (LuSE)

Project Consultant(s): Tony Grier
Nathan DeAssis

Objective(s):

- To obtain the opinions and viewpoint of the Lusaka Stock Exchange.
- To see if the Institute has relevance vis-à-vis the Exchange

According to Mr Tembo, the Institute “needs help”.

“From my contact with market participants—especially banks, I realise that many are ignorant of basic market terms and operations,” he highlighted.

He spends a lot of time trying to advance investor awareness and would be grateful if the Institute did its share of training in that area.

Mr Tembo pointed out that:

- Banks are profitable here in Zambia and should be putting that money to use in awareness and training programmes.
- Banks have spent too much effort at investing in safe government securities and not doing their business of lending.

Consequently, the bankers encountered knew very little of what companies can do to obtain sources of funding other than straight loans.

Mr Tembo feels that banks and the Institute should hold “training discussions” which would result in topic ideas, pinpoint areas of weakness in training, and lead to some resolution of the absence of training for all in the financial services sector.

The LuSE runs a course twice a year called “investor advisor and stockbrokers” with the aim of building a competent professional base in the investment advisory community. Much still remains to be done, according to Mr Tembo.

Many partners should be involved in financial training: pension fund managers, trust lawyers, brokers, and the bankers themselves. Brokerage houses in Zambia are apparently not living up to their image as professionals. For the moment they are just dealing in the buying and selling of securities, offering very little credible advice and collecting fees on their transactions. This has to change, according to Mr Tembo. Training which revolves around investment awareness is the answer, he holds.

As for the certification programme of the ZIBFS, he thinks that offering specialisation courses to the diploma programme would be an excellent idea. It would help broaden the mind and capacity of the diploma holder.

Interview

Date: 2 November 2006

Person(s) interviewed: Bursch C Nketani, Head of Human Resources
Patrick C Chupa, Head of Training
Zambia Revenue Authority (ZRA)

Project Consultant(s): Tony Grier
Nathan De Assis

Objective(s):

- To find out more about the relationship of the Zambia Revenue Authority with ZIBFS.
- To seek the opinion of the Authority concerning the syllabi relevance of the Institute

Established in 1994, the Zambia Revenue Authority (ZRA) assesses and collects taxes and duties on behalf of the government, facilitates international trade, and advises the government on aspects of tax policy.

Messrs Nketani and Chupa welcomed the Consultants' visit and cited the project as a good thing for the Institute. The Authority sends participants regularly to ZIBFS seminars and workshops and is a dedicated corporate member and Council member.

The Authority even had the Institute organise tailor-made seminars in the past such as on fraud and money laundering subjects. Mr Nketani noticed that the Institute tended to focus too much on banking but to him that was their nature having been founded primarily by the banks.

The Institute has informed the Authority that they can organise a seminar on strategic planning. The Authority is very interested since their organisation is evolving with the objective of keeping up with best practices by tax collection agencies in other parts of the world.

Training is a priority, according to both men.

So far, they have registered no complaints about ZIBFS and have been thoroughly satisfied with the seminars delivered. Mr Nketani has a "personal" attachment to the success of the Institute as he used to be a banker.

The Authority would like to see more seminars in areas of

- Treasury Management.
- Risk Management.
- Accounting and Financial Reporting

Although the Authority hires people with diverse backgrounds, they see an extended diploma with specialisation courses as a definite plus for the credibility of the Institute's certification programme.

Interview

Date: 3 November 2006

Person(s) interviewed: Josephine Phiri, Director
Emma Miti, Director
Zambia National Building Society (ZNBS)

Project Consultant(s): Tony Grier
Nathan De Assis

Objective(s):

- To find out more about ZNBS's relationship with the Institute.
- To seek the opinion of ZNBS concerning the syllabi relevance of the Institute

The Consultants interviewed the representatives of ZNBS separately in their respective offices.

Ms Phiri is very much in favour of the Institute, saying that it has much to contribute to the reinforcement of education and knowledge in the financial sector. But she has been amazed by the lack of forwardness on the part of the Institute in recent years. "What has gone wrong? She asks, "Because they used to be so active."

Further, she says her employees complain about not having representation in the various functions of the Institute; they feel excluded because they are not approached for input.

In the future, she says the Institute should consider the provision of courses in microfinance. The ZNBS is entering the market with a significant campaign aimed at salaried-based consumers.

Ms Miti commented that she would like to see more developed courses dealing with mortgage financing and its relationship to traditional banking products. She provided more details on building societies in Zambia:

- Although building societies are created and organised under separate law, their activities revolve around banking such as deposit-taking and lending but with a view to the longer-term.
- Building societies are classified under Housing Finance Institutions (HFIs) which traditionally provide banking services and mortgage lending and take two major forms—building societies and employer-sponsored housing loan schemes. However, a few years ago, the generally unsatisfactory performance and financial status of the building society industry (of which there are 3) limited the contribution of housing finance institutions to the Zambian economy. The major constraints were the unstable macroeconomic environment and the outdated Building Societies Act (BSA) of 1968. The economy has since improved and the BSA is in the process of being reviewed and revised.
- Consequently, building societies continued to register a positive performance in 2005, recording a profit before tax of K4.1 billion compared to K24 million the year before. The sector's increased earnings were due to the rapidly expanding mortgage portfolio, with aggregate mortgages increasing by 72 percent to K 25.3 billion for 2005 from K14.7 billion the year before. Declining interest rates was the leading factor behind the rise in mortgages.

Interview

Date: 3 November 2006

Person(s) interviewed: Webby Mate, Executive Secretary
Association of Microfinance Institutions of Zambia

Project Consultant(s): Tony Grier
Nathan De Assis

Objective(s):

- To discuss any issues the Association might have with ZIBFS.
- To seek the opinion of the Association concerning the syllabi relevance of the Institute

According to Mr Mate, the Association handles most of the training offered to microfinance institutions. Funding initially came from donors or other aid groups like DFID, but the institutions are beginning to afford their own training needs. The Association has seven trainers available for microfinance topics, five of whom are certified.

Because the microfinance sector is developing at a fast pace, the Association is looking for partners in training and is quite open to the prospects of “anchoring” its training programme with that of ZIBFS. To that effect, the syllabi of the Institute must add microfinance topics to at least its certificate and diploma programmes.

Principles of microfinance would be an ideal topic.

Microfinance in Zambia gets help from government initiative and outside organisations such as Consultative Group for Assisting the Poorest (CGAP), a unit of the World Bank.

There are currently two types of microfinance institutions: Tier 1 and Tier 2. The first concerns institutions with capital of K250 million with deposit-taking capacity, while Tier 2 concerns institutions with a capital below K25 million and do not take deposits. The latter fall outside the scope of supervision by the Bank of Zambia (BoZ).

Generally, the microfinance sector performed well during 2005, being adequately capitalised and having satisfactory asset quality and earnings performance. As at 30 November 2005, total assets of the sector stood at K74, 500 million, representing an increase of 55 percent over the 30 November 2004 position of K47, 912 million. The growth in assets was financed by an increase of K25, 281 million as at 30 November 2005, from K8, 053 million as at 30 November 2004, due to two new microfinance institutions being licensed by BoZ during the period under review.

Mr Mate said that commercial banks were looking increasingly to the microfinance sector as an attractive target market due to its importance to the economy, high margins on loans, and satisfactory track record of repayment by borrowers.

For more details on microfinance activity, Mr Mate suggested consulting the web sites of the Bank of Zambia and, for comparative purposes, the web site of the Institute of Uganda.

Follow-up Action

Consult the web sites of the Bank of Zambia and, for comparative purposes, the web site of the Institute of Uganda.

A3 | **ZIBFS Organisation Charts and Job Descriptions**

A3 ZIBFS Organisation Charts and Job Descriptions

Figure A3.1: Existing Organisation Chart

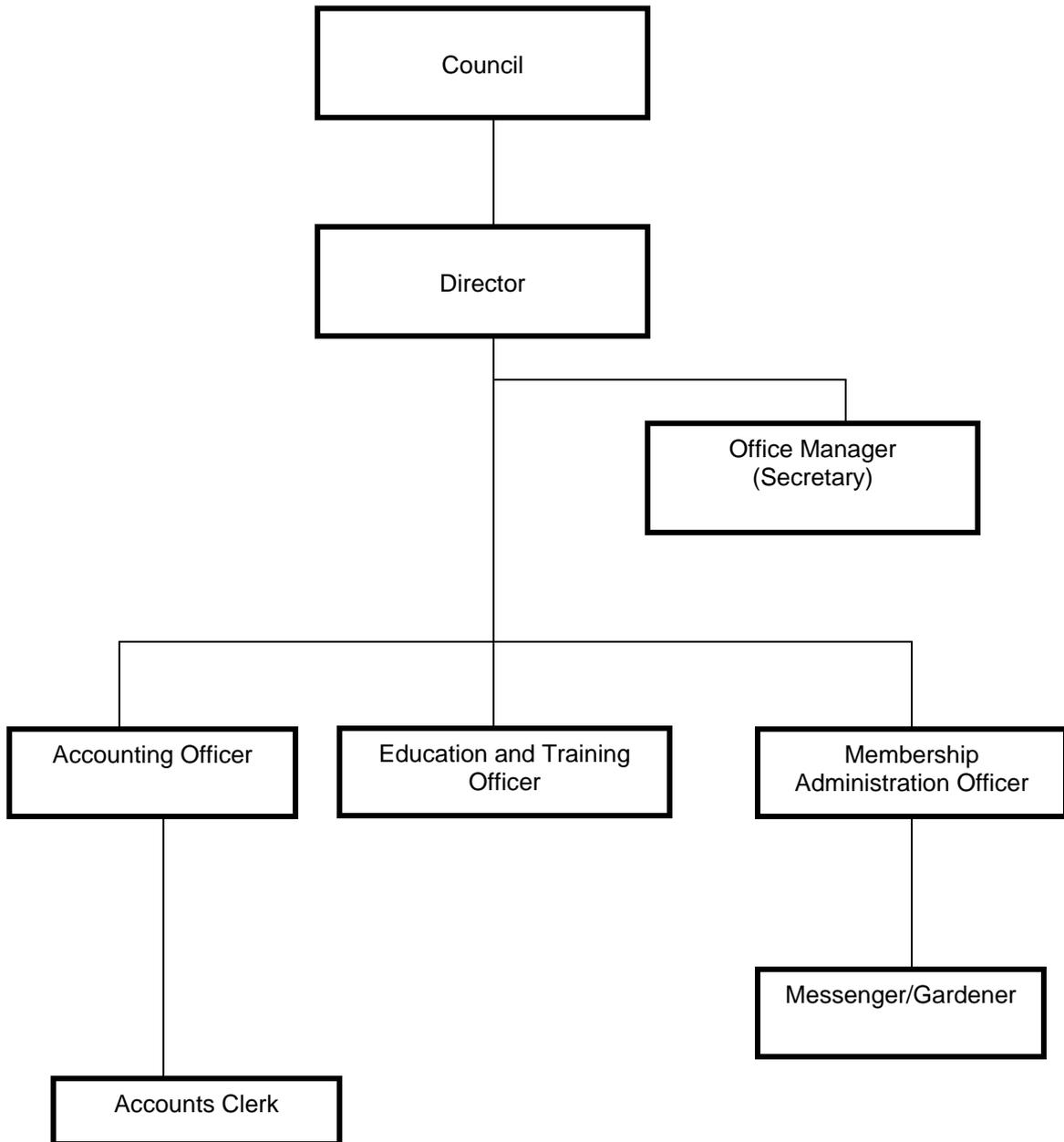
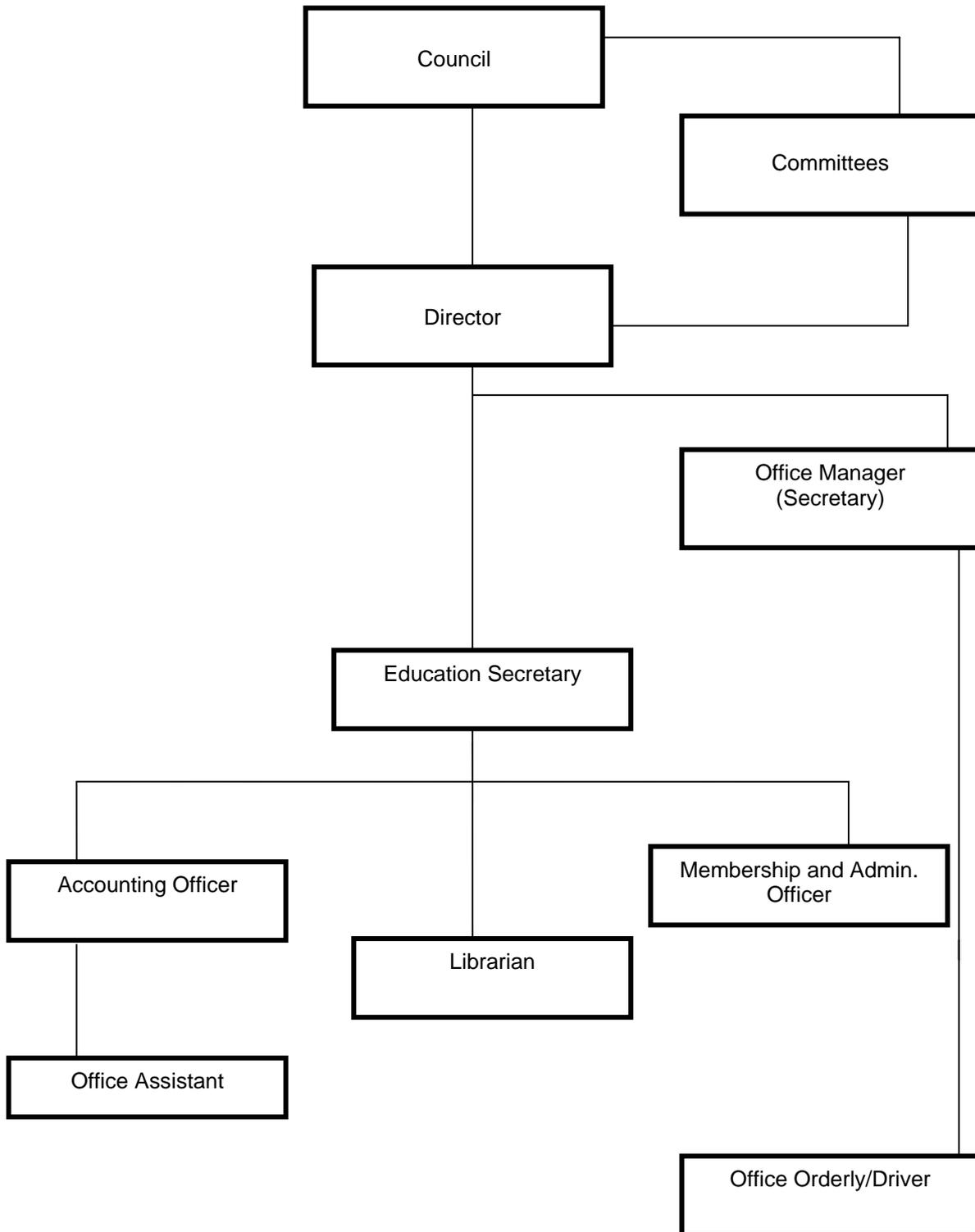


Figure A3.2: ZIBFS Proposed Organisation Chart



Job Description

Job Title: **Director**

Job Holder:

Reports To: **Executive Committee and Council of the Zambia Institute of Banking and Financial Services**

Job Purpose

- Plan, direct, coordinate and control effective development, operation and promotion of Zambia Institute of Banking and Financial Services.
- Responsible for overall administration of the Institute.
- Responsible for entire management of the budget.
- Responsible for supervision of entire staff.

Context of the Job

- To contribute to the development of the strategies and policies which will support the achievement of ZIBFS's mission.
- To organise and merge the affairs of ZIBFS in accordance with the established policies.
- To manage and control the finance of ZIBFS within the approved budget.
- To promote ZIBFS's members, qualifications and status within Zambia and beyond.
- To ensure the human resources development of the Secretariat.

Daily Challenges of the Job

- To ensure that:
 - the ZIBFS Council and other Committees are provided with effective Secretarial services for the meetings; and
 - the proceedings of the ZIBFS Council and its Committees are correctly recorded and that decisions are conveyed to those concerned and where appropriate, are implemented expeditiously.
- To ensure that technical activity is effectively coordinated in the areas of professional standards, regulation, education and training.
- To operate and implement a program of promotional activity through out Zambia.
- To supervise the editorial content of the ZIBFS Banking and Finance magazine.
- To recruit and manage all staff.

- To ensure the availability and efficient use of office and other resources to achieve long and short term objectives.
- To prepare annual budgets and ensure that the Secretariat has adequate resources.
- To prepare periodic and annual reports relating to the operation of ZIBFS.
- To liaise with external bodies such as other professional bodies, government, and donors.
- To take on other tasks as might be assigned by Council.

Knowledge, Skills and Experience

- Qualified Business Profession with managerial exposure and training.
- Equipped to manage finances and able to liaise confidently with other professionals.
- Command enough respect to deal with members, council and committees
- Incumbent must demonstrate experience of at least seven years in senior management position. Must be able to manage staff assets. Must be able to communicate at all levels, from lowest levels to highest levels.
- Incumbent is expected to work independently with little or no supervision and is expected to generate ideas.
- Incumbent must be able to implement policy and give appropriate guidelines to subordinates, committees and council.

Key Contacts

- President, Deputy President, Treasurer, Secretary and members of Council.
- Committee Chairperson and members.
- Government officials.
- Institutions.

Job Description

Job Title: **Educational Secretary**

Job Holder:

Reports To: **Director**

Job Purpose

Plan, direct, coordinate and control effective operations of the Education Department.

Dimension of the Job

Responsible for running the Education Department.

Context of the Job

- To ensure that ZIBFS has appropriate qualifications in place to cater for all levels (fellows, associates, ordinary members and student members) and to promote these qualifications.
- To introduce and administer ZIBFS qualifications.
- To ensure that ZIBFS syllabus meets the needs of the market for banking and finance skills in Zambia.
- To service the Education Committee and other committees that may be assigned.

Daily Challenges of the Job

- Review national and international qualifications for the purpose of granting exemptions of eligibility for direct membership of the institute.
- The administration of the ZIBFS (and any other) examinations to include:
 - Timely registration.
 - Advice and support.
 - Efficient entry to examinations.
- Liaise with colleges, employers and joint scheme partners.
- Ensure that all joint scheme students receive adequate support from ZIBFS.
- Develop and implement a programme of promotional activity for the ZIBFS qualification.
- Ensure that all books are secure and finances of this activity are managed to realise the highest possible surplus for the institute.
- Participate in the annual budget plan process.
- Take on other tasks that might be assigned by the Director.

Knowledge, Skills and Experience

University graduate. Candidate must be able to work with very little supervision as he is expected to be technically competent.

Degree of Supervision or Direction

Receive from superior:

- General policy guidelines.
- Very little, if any, supervision on routine functions.

Given to subordinates:

- Policy guidelines.
- Directives to comply with routine and specific requirements.
- Professional guidance.

Key Contacts

- Director on daily basis.
- Education Committee and Chairperson on regular basis.
- Professional Banking and Finance bodies.
- Students and prospective students.
- Organisations and individual involved with education issues.

Job Description

Job Title: **Membership and Administration Officer**

Job Holder:

Reports To: **Director**

Job Purpose

To plan, direct, coordinate and control effective operation of Membership and Administration Department.

Dimension of the Job

Responsible for running the Membership and Administration Department by supporting the Administration activities, providing members with appropriate information and promoting the institute.

Context of the Job

- To devise, promote and implement services to members.
- Responsible for administering membership admissions, upgrading and the issuing of practicing certificates.
- To service membership and Technical Committee meetings.
- Maintaining membership database.
- Assist in membership administration.

Daily Challenges of the Job

- Ensure that all communication with members is timely and accurate.
- Ensure that any queries from members are promptly attended to.
- Monitor the activities of members with practicing certificates and to take appropriate action in cases of reported abuse of the ethics guidelines.
- To organise seminars and other events or services in order to enhance the professional development of members.
- Ensure that membership and renewal notices are sent on time and that the maximum possible income is received from members.
- Ensure that members who do not pay are removed from the register.
- Supervise production of the Banking and Finance magazine.
- Organise communication with the press and other media.
- Coordinate the work of any Administration committee or task forces that might be established.
- Participating in the annual budgeting process.

- Taking on other tasks as might be assigned by the Director.

Knowledge, Skills and Experience

Candidate must be an experienced Officer with experience in Membership with ability to support membership activities. Must have at least five years experience. A qualified Banker eligible to be associate of ZIBFS or University graduate eligible to be ordinary member but with post graduate studies. Background of teaching or research would be an added advantage.

Degree of Supervision or Direction

Received from Supervisor:

- General policy guideline.
- Very little, if any supervision on routine functions.

Given to Subordinate:

- Policy guideline.
- Directives to comply with routine and specific instructions.
- Professional guideline.

Key Contacts

- Director on a daily basis.
- Membership Committee Chairperson.
- Members of ZIBFS to disseminate information.
- The media.
- Other institute bodies.

Job Description

Job Title: **Accounting Officer**

Job Holder: **Director**

Reports To:

Job Purpose

Plan, direct, coordinate and control the effective operation of the accounts department.

Dimension of the Job

Responsible for running the Accounts department.

Context of the Job

Maintaining all financial transactions entered into by ZIBFS, managing and supervising financial aspects of operations.

Daily Challenges of the Job

- Ensure effective implementation of accounting system and procedures for the reporting and treatment of all financial transactions and cash resources of the institute.
- Compile annual budgets for ZIBFS and produce management accounts on a monthly basis.
- Preparing periodic and statutory accounts and reports as may be advised by the Director.
- Preparing cash flows.
- Preparing bank reconciliation monthly or such shorter period.
- Carrying out the credit and debt management functions of the Institute.
- Liaising with Membership and Technical Officer in the processing of membership renewals.
- Liaising with external auditors as required.
- Responsible for stock control and monitoring.
- To ensure that surplus funds are invested.
- To ensure that foreign denominated payments are adequately hedged against foreign exchange fluctuations.
- Maintaining and up-dating the fixed assets register.

- Responsible for the payroll and ensuring that employees are paid promptly and that statutory remittance are made promptly too.
- Reconciliation of all books of account.
- To be Secretary to the Finance and Administration Committee.
- To take on other tasks as might be assigned by the Director.

Knowledge, Skills and Experience

Must be a competent and mature person, be qualified with at least five years working experience at supervisory level. If qualified Accountant at Associate level candidate must have at least two years experience with sufficient supervisory skills. Familiarisation with simple accounting software would be a definite advantage.

Degree of Supervision or Direction

Received from Supervisor:

- General policy guideline.
- Very little, if any, supervision on routine functions.

Given to subordinates:

- Policy guidelines.
- Directive to comply with routine and specific requirements.
- Professional guidance.

Key Contacts

- Director.
- External Auditors.
- Bank Managers.
- Fellow Heads of functions.
- Suppliers and Contractors.

Job Description

Job Title: **Secretary to Director**

Job Holder:

Reporting To: **Director**

Job Purpose

The purpose of the post Secretary to Director is to assist the Director in the day to day running of the office.

Daily Challenges of the Job

The person appointed to the post of Secretary will undertake the following duties:

- Receiving and replying to correspondence.
- Attending to the telephone.
- Receiving clients and attending to their requirements.
- Making appointments for the Director.
- Typing work assigned to her and taking dictation.
- Opening and maintaining files.
- Any other duties that are assigned by the Director.

Accountabilities

The post holder will report to the Director.

The post holder will be accountable for:

- Efficient and effective running of the Director's office.
- Ensuring that all appointments and meetings for the Director are properly recorded and that he/she is aware of them.
- Ensuring the confidentiality of the business conducted in the Director's office.

Knowledge, Skills and Experience

Education/Qualification	Grade 12 100/120 WPM Shorthand 55/65 WPM Typing Certificate in Secretarial duties
Post Qualification	Five years, including at least two years as Personal Secretary
Skills required	Pleasant manner Smart appearance Public relations/communication skills Word processing knowledge Fax operation

Have maturity to enable her to handle difficult clients/visitors

Degree of Supervision or Direction

The post holder has authority to monitor work in the institute and recommend appropriate action to the Director.

Job Description

Job Title: **Office Assistant**

Job Holder:

Reporting To: **Accounting Officer**

Job Purpose

To sale and account for all study materials, provide details of ZIBFS account numbers to students for purpose of registration, subscription and examination fee payment and attend to all functions as delegated by superior.

Scope

The job holder will execute functions in the office and in any assigned area. Work contacts include main store, student liaison officers, individual students and their sponsors. Equipment used includes a computer, phone and fax.

Knowledge and Abilities

The job demands knowledge of computer software such as windows, Microsoft word and excel, ability to communicate effectively orally and in writing, establish cooperative working relationships with customers, superior and peers in the course of performing assigned duties.

Training and Experience

The job demands a minimum education level of full school certificate with passes in English and Mathematics as well as combination of training and experience in computer applications, sales and holder of a technician accounting certificate such as AAT, NATech, and/or CABS.

Specific Performance

Sale of Study Material:

- Request for books from main store.
- Account for all books received.
- Account for all books sold.
- Account for and bank all the money collected.
- Account for the unsold material.
- Submit report to superior on sales and stock available every month end.

Office Maintenance:

- Request and/or purchase required cleaning utensils.
- Account for all company cleaning utensils.
- Purchase all sundries required for smooth running of the office.
- Student registration, subscription and examination payment.
- Supply account's details to students wishing to make payment.
- Give guidance on how to complete membership registration forms.
- Enter and maintain details of all received deposit slips daily.
- Produce weekly reports and perform any other duties as directed.

Job Description

Job Title: **Receptionist/Typist**

Job Holder:

Reporting To: **Secretary**

Job Purpose

The purpose of the post of receptionist is to provide communication services for the institute.

Daily Challenges of the Job

The post holder will be required to undertake the following duties:

- Operating the switchboard by answering incoming calls and making calls on behalf of staff.
- Recording calls to ensure that international and personal calls are monitored.
- Reporting to relevant authorities when telephone extensions on the switchboard or switchboard itself are faulty.
- Receiving visitors.
- Typing some work as assigned by the Superiors.
- Other duties as assigned by other senior staff from time to time.

Accountabilities

The post holder will report to the Personnel and Membership Administration Officer

The post holder will be accountable for:

- Effective management of the switchboard ensuring that the institute and clients communicate easily.
- Effective control of telephone bills.
- Report on progress of handling faults to officers concerned in the institute.
- Filing.

Knowledge, Skills and Experience

Education/Qualification	Grade 12
Post Qualification/Experience	Three years
Skills required	Pleasant manner Smart appearance Communication skills

Patience

Job Description

Job Title: **Office Orderly/Driver**

Job Holder:

Reporting To: **Secretary**

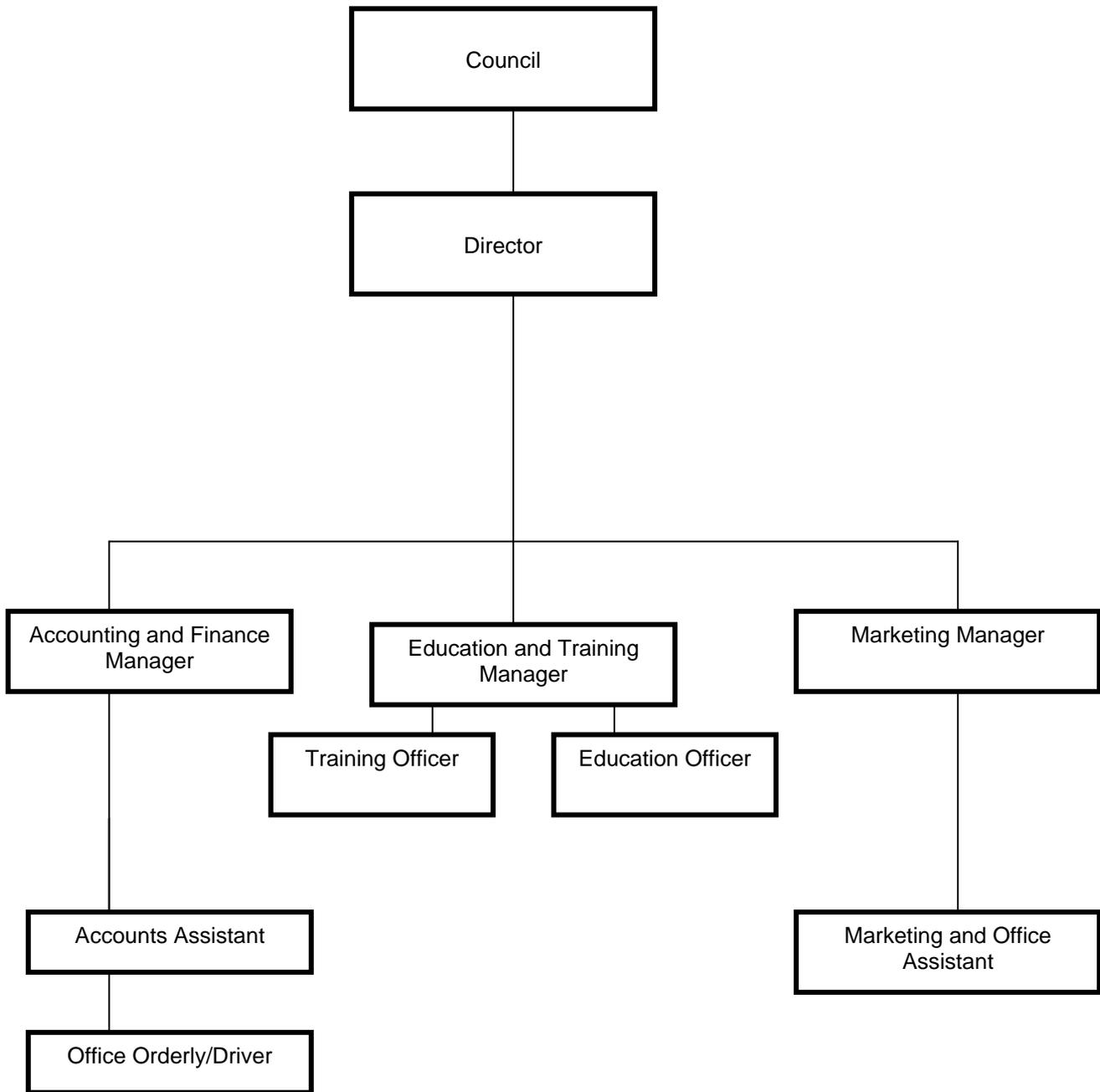
Responsible to the Personnel and Administration Officer for:

- General office cleaning which will include sweeping, dusting and washing cups and glasses.
- Making tea for members of staff.
- Delivering mail, correspondence or any other documents as shall be directed by Personnel and Administration Officer or Secretary to Director.
- Keeping the outside premises of the office clean by sweeping, watering flowers, shrubs, grass lawns and pruning them when necessary.
- Purchase of groceries where necessary.
- Taking turns to guard the office on weekends.
- Any other business as shall be directed by senior staff.
- Collecting and posting of mail at the Post Office.
- Collecting and delivering of Institute's goods or items.
- A chauffeur for members of staff going out on business and visitors when need arises.
- Any other work as assigned by superior.

Knowledge, Skills and Experience

Education/Qualification	At least Grade nine school certificate Clean driving licence Sober character Two years experience
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Figure A3.3: Consultants Proposed Organisation Chart



Job Description Marketing Officer

Summary

Under limited supervision, directs and oversees the various marketing and associated public relations/outreach activities of the Zambia Institute of Bankers and Financial Services.

Duties and Responsibilities

- Works directly with senior management of the organisation to develop marketing programs, design marketing strategies, and implement marketing campaigns.
- Provides leadership and direction in the development, implementation, and monitoring of the strategic marketing plan for the organisation.
- Establishes and implements short and long range marketing goals, objectives, policies, and procedures for the organisation; evaluates program effectiveness and effects changes required for improvement.
- Develops and manages annual marketing budgets for the organisation, regularly monitors expenditures; prepares summary assessments and reports.
- Initiates and implements direct outreach marketing efforts to potential external customers on behalf of the ZIOBFS programs and services.
- Serves as public information contact, as appropriate, for the organisation, and maintains communications with various stakeholders.
- Conducts market research and analysis, and establishes data management and tracking systems to improve the organisation's marketing efforts.
- Recommends and participates in the development of ZIOBFS policies and procedures.
- Performs miscellaneous job-related duties as assigned.

Minimum Job Requirements

- Diploma in Banking and Finance.
- Bachelor's degree in social science or related field.
- Member of the Zambia Institute of Marketing.
- At least three years of experience that is directly related to the duties and responsibilities specified.

Knowledge, Skills and Abilities Required

- Skill in organising resources and establishing priorities.
- Skill in examining and re-engineering operations and procedures, formulating policy, and developing and implementing new strategies and procedures.

- Ability to communicate effectively, both orally and in writing.
- Advanced verbal and written communication skills.
- Knowledge and understanding current and emerging industry requirements and practices in area of marketing expertise.
- Ability to develop, plan, and implement short- and long-range goals.
- Strong interpersonal skills and the ability to effectively work with a wide range of individuals and constituencies in a diverse community.
- Ability to foster a cooperative work environment.
- Data management and tracking skills.
- Ability to develop and maintain record keeping systems and procedures.
- Knowledge of strategic communications and marketing concepts, principles, methodology and techniques.
- Skill in the use of personal computers and related software applications.
- Ability to interpret industry needs and directions, assess capacity, and to plan, develop, and implement appropriate marketing strategies.

A4 | **ZIBFS and Financial Services Syllabus**

A4 | ZIBFS and Financial Services Syllabus

Certificate in Banking and Finance

The Certificate in Banking and Finance comprises six subjects. All the subjects have to be passed in order to qualify as a Certificate holder. It is a stand-alone qualification, which also serves as the first stage to the Diploma as well as the Degree in Banking and Finance. The subjects comprising the Certificate in Banking and Finance are:

- Business Management.
- Financial Accounting.
- Banking Law and Practice.
- Marketing of Financial Service and Customer Service.
- Mathematics of Finance.
- Economics.

BF 110: Business Management

Objective

The primary objective of this course is to equip the student with tools of analysis of important theoretical and practical Management principles so as to prepare him/her for future managerial responsibilities in the organisation.

Syllabus Content

Introduction to Management Theories and Principles

- Bureaucracy.
- Classical Management Theories.
- Human Relations.
- Contingency theory.
- Systems thinking.

The Organisation

- Alternative organisational structures.
- Environmental Scanning.
- Roles in an organisation.
- Objectives, aims and missions.
- Targets and people.
- Management by objectives.
- Organisational Culture.
- Organisation and change.

Managerial Functions

- Strategic Planning
 - Strategic planning levels.
 - Benefits of planning.
 - Strategic versus tactical planning.

Organising

- Organisational Design
 - Power structures and Authority.
 - Leading and Managing.
 - Leadership qualities.
 - Action centred leadership and leadership in action.
- Power and Authority
 - Decision making process.

- Motivation and Performance
 - Motivation theories.
 - Factors affecting motivation.
 - Internal and external drives.
 - Individual differences.
 - Organisation's Motivation Systems.
 - Need satisfaction and motivation.
 - Organisational and personal goals.
 - Performance related rewarding system.
 - Interviewing, advice and counselling.

Training

- Types of Training.
- On/off the job.
- Planning and controlling training.
- Manager's role in motivating workers.
- Performance appraisal, assessment and feedback.

Communication

- The Communication Process
 - Effective Communication.
 - Barriers to effective communication.
- Communication in an Organisation
 - Communication systems.
 - Vertical, Lateral, Diagonal, informal, external.
 - Oral, written and non verbal communication.
 - Grammar and usage.
 - Comprehension.

Human Resources Management

- Human Resources and Business strategy.
- Recruitment and selection.
- Work and job design.
- Conflict Management with specific reference to role of conflict; Zambian Labour Laws.
- Conflict management approaches.
- Employment, Legislation, equal opportunity, employment protection, fair and unfair dismissal, discipline, grievance, arbitration and conciliation, health and safety.
- Wages, salaries and grading systems.

Recommended Reading

- B W Stone - Supervisory Skills (Pitman/CIB).

BF 120: Financial Accounting

Objectives

The objectives of this subject are to enable students do the following:

- Demonstrate an understanding of the role(s), nature and uses of accounting information, and strengths and weaknesses of such information.
- Identify the different types (legal structures) of enterprises and the implications of these structures for accounting and financial reporting systems.
- Convert data about the flows of goods and services through an enterprise (both past and prospective) into relevant accounting reports.
- Comment on the content and structure of the principal (primary) accounting reports of enterprises, and the underpinning accounting concepts.
- Demonstrate an ability to conduct an appraisal (at an introductory level) of an enterprise's financial position, financial management and prospects, using financial ratio techniques.

Syllabus Content

Accounting Theory

- Fundamental Accounting concepts and conventions such as, Accruals, Going concern consistency, prudence, materiality and realisation.
- Historical cost accounting.
- Entity and monetary measurements.
- The Accounting equation.
- The Statement of Principles for Financial Reporting.
- The difference between "profit" and "cash flow".

Accounting Records

- Prime Documents.
- Primary books of entry.
- Double entry.
- Chart of Accounts.
- Ledger accounts.
- Bank Reconciliation.
- Trial Balance.
- Profit and Loss.
- Balance Sheet: Vertical and Horizontal.

The Business Cycle

- Setting up a business.
- Types of finance and their related obligations and application.
- Buying and selling.
- The effect of profit on financial position.
- Profit as an increase in capital and net assets.
- Effects of individual transactions on the Trading and profit and loss Account and Balance Sheet.

Types of Enterprise: Their Regulation and Accounting Requirements

- Sole trader: capital injection and withdrawals.
- Risk Partnership: formation; partnership agreement; regulation; risk; division of profit; changes in membership and profit sharing; capital and current accounts; the Partnership Act 1890.
- Limited company: limited liability; formation; risk; corporation tax; dividends; share capital; rights issue; bonus issue; share premium; debentures; provisions and reserves; audit; Companies Acts; Separation of ownership and management. Capital Structure. Regulatory regime including audit requirements. Sources of authority: legislation; (IFRSs).

Asset Valuation and Profit Measurement

- The link between the valuation of assets and liabilities and profit measurement.
- Accounting concepts: entity; money measurement; matching; realisation; accruals; historical cost; going concern; consistency; prudence and materiality. Their relevance and disclosure (IASB Framework 22-38).
- Stock identification and valuation (IAS two).
- Depreciation, straight line and reducing balance methods (IAS nine).
- Goodwill.
- Capital and revenue expenditure; fixed assets and current assets; asset revaluation and revaluation reserve.
- Long-term and short-term liabilities.
- Non-recurrent transactions.

Performance Assessment

- Interpretation of accounts, both between companies and over time, using cash flow and ratio analysis.

- The cash flow statement (IAS seven): sources of cash (long term and short term): uses of cash; construction of statement; overtrading: interpretation of statement (including the use of ratios).
- Importance of working capital/liquidity; matching long term uses with long term sources of cash.
- Ratios: gross profit; net profit; costs; gearing; return on capital employed; turnover of debtors, creditors, stock and assets; working capital; liquidity.
- Corporate development and decline as reflected in the accounting statements.
- Distribution or reinvestment of profit; dividend policy. Limitations of accounts.

Decision Making

- Preparation and use of accounting reports as a basis for decision-making. Cost behaviour; fixed and variable costs; contribution costing.
- Break even analysis: calculation of break even point; limitations.
- Capacity and output compared; revenue and cost implications of different levels of activity.
- Forecast results: the cash forecast; forecast trading and profit and loss account and balance sheet.

Recommended Reading

- J H Mellett and J R Edwards - Introduction to Accounting.

BF 130: Banking Law and Practice

Objectives

The objectives of this subject are to enable students do the following:

- To understand the legal principles relating to banking and Finance.
- To understand and appreciate the rules relating to the banker-customer relationship.
- To understand the legal principles governing credit and security.

Introduction to Law

- Sources of Law
 - Constitution, Statutes, Delegated Legislation, Customary Law, Reception Clauses, Case Law and Precedents.
- Classification of Laws.
 - Public Law and Private Law.
 - Civil Law and Criminal Law.
 - Common Law and Equity.
 - Substantive Law and Procedural Law.
 - International Law and Municipal Law.
- Court Systems and Jurisdiction.
 - Local Court, Subordinate Court, High Court, Industrial Relations Court, Supreme Court.
 - Tribunals.

Law of Contract

- Introduction: Definition, Essentials Elements of a Contract, Offer and Acceptance, Termination of Offer, Revocation of Offer.
- Consideration: Definition, Executed, Executory, Past Consideration.
- Capacity: Definition, Minors, Valid Contracts, Void Contracts, Voidable Contracts.
- Free Consent: Definition, Mistake, Fraud, and Misrepresentation.
- Breach of Contract: When and how does breach occur, Consequences of Breach.
- Remedies for Breach: Legal Remedies; Equitable Remedies; Principles of Damages, Remoteness of Damages and Measure of Damages.

Bankers and Customer Relationship

- Definition of Banker and Customer and their significance.

- Types of Customers: Companies; Partnerships; Minors; Personal Representatives; Unincorporated Clubs and Societies; and Personal Customers.
- Obligations of the Parties in a Banker and Customer Relationship.
 - Obligations/duties of the Bank to the Customer.
 - Duties of the Customer to the Banker.
 - Rights of a Banker to the Customer.
- Types of Accounts:
 - Personal Accounts.
 - Joint Accounts: Accounts Mandate, Joint Liability and Several Liability.
 - Minor's Accounts.
 - Trust Accounts.
 - Accounts of Personal Representatives.
 - Accounts of Limited Liability Companies: Principles of Corporate Personality; Companies Articles of Association; Company Bank Accounts and Borrowing by a Company.
 - Accounts by Partnerships: Contractual Capacity of Partners; Partnerships Bank Accounts; Liability of Partners to the Bank; Retirement and death of a Partner.
 - Accounts of Unincorporated Associations; Borrowing by Unincorporated Associations.
- Opening of Accounts and Termination of Relationships:
 - Account Opening Procedures.
 - Termination by the Customer.
 - Termination by the Bank.

Cheques and Payment System

- Negotiable Instruments.
 - Characteristics of Negotiable Instruments.
 - Types of Negotiable Instruments: Bills of Exchange of including Cheques; Promissory notes including bank notes; Bankers' Drafts; Travellers' Cheques; Treasury Bills; Bearer bonds.
- Cheques as Means of Payment.

- Meaning and characteristic of a Cheque: Definition of a Cheque; Cheque as a type of Bill of Exchange; Cheques as negotiable Instruments; Forms of a Cheque; Effect of payment by Cheque; crossing of Cheques.
- Endorsement of Cheques and Types of Holders.
 - Endorsement of Cheques: Meaning of Endorsement; When is Endorsement Irregular; Types of Endorsement; Effect of Endorsement; Liability of the Endorser; Forged Endorsement.
 - Types of Holder of Cheques; Bearer; Holder; Holder for Value; Holder in Due Course.
- Collection of Cheques and Liability of a Collecting Banker.
 - Definition and duties of a Collecting Banker.
 - Statutory definitions for a Collecting Banker.
 - Rights of a Collecting Banker.
- Paying Cheques and Protection of a Paying Banker.
 - Definition of a Paying Banker.
 - Possible Liability by a Paying Banker.
 - Statutory Protection of a Paying Banker.
- Cheque Guarantee Cards and Credit Cards.
 - Cheque Guarantee Cards: Form of the Cheque Guarantee cards; Contracts in Relation to use of a Cheque Guaranteed Card; Terms and Conditions of use.
 - Credit Cards: What is a Credit Card; Conditions of use of a Credit Card.
 - Other means of payment: Debit Cards, Telegraph Cards.

Security

- Introduction: Types of Security; Purpose of security for lending.
- Property as security for Lending.
 - Meaning and classification of Property.
 - Use of Property as Security.
- System of Land Ownership in Zambia.
 - The Meaning of Land.
 - Qualification for Ownership of Land in Zambia.
 - Registration Requirements and Protection of Interests in Land.
 - Disposition of Land.

- Mortgages.
 - Definition.
 - Types of Mortgages.
 - Procedure of Taking a Mortgage.
 - Terms of a Mortgage.
 - Rights of a Mortgagee (Lender).
 - Rights of the Mortgagor (Debtor).
 - Discharge of a Mortgage.
- Other Types of Security.
- Guarantees.
- Shares and Stocks.
- Debentures.
- Life Insurance Policies.

The Law of Torts Relevant to Bankers

- Meaning and Characteristics of the Law of Tort.
- Conversion.
- Defamation.
- Negligence.
- Vicarious Liability.

Recommended Readings

- J. Milnes Holden: The Law and Practice of Banking, Vol one and two.
- The Tanzania Institute of Bankers: Principles of Law.
- The Tanzania Institute of Bankers: Law Relating to Banking Services.

BF 140: Marketing of Financial Services and Customer Services

Objectives

The objectives of this subject are to enable students do the following:

- To appreciate the theory and practice of marketing at all levels within the organisation.
- To understand the value and nature of financial services in a highly competitive environment.
- To provide students with the necessary marketing background for understanding challenges and opportunities involved in the marketing of financial services.
- To understand the nature of customer service and relationship marketing.

Syllabus

Understanding the Critical Role of Marketing in Organisations and Society

- The Core Marketing Concepts: The customer, customer needs, wants and demands; value, cost and satisfactions, markets and company orientations towards the market place (production concept, the product concept, the selling concept, the marketing concept and holistic marketing concept).
- Marketing as a Management Function: The relationship of the marketing function with other functions of management or department; the position and structure of marketing in the organisation.
- The Role of Marketing in the Strategic Planning Process: Strategic Corporate Planning (mission, purpose, objectives); Strategic Marketing planning process, goal formulation; strategy, implementation plan (resource allocation, structure, profitability and contents of a Marketing Plan).

Capturing the Marketing Insight

- Environmental Scanning: Macro environment (geopolitical factors, economic factors, social cultural factors, globalisation, political/legal factors, technological factors; and demographics factors).
- Market Research: Marketing research process (problem definition, research plan, collecting information, (primary and secondary data collection), data analysis and interpretation, presentation of findings); suppliers of marketing research service; characteristics of a good marketing research.
- Customers and Demand Analysis: A model of consumer behaviour, major factors influencing consumer behaviour, the buying decision process, and stages in the buying decision process. Demand measurements (market demand, market forecast, market potential, company forecast) methods of estimating current and future demand; customer characteristics.

Market Segmentation Analysis

- Market Segmentation Process: Segmentation approaches, bases for segmenting markets, market segments and niches, customer/client segment profile, requirements for effective segmentation.
- Market Targeting: Evaluating market segments, [segment size and growth, segment structural attractiveness (substitutes, power of buyers, power of suppliers, intensity of competition in the market and potential entry of new competitors), company objectives and resources].
- Selecting the Market Segments: Single segment concentration, selective specialisation, product specialisation, market specialisation and full market coverage other considerations in evaluating and selecting markets (ethics, segment interrelationships and segment invasion plans).
- Competitive Differentiation and Positioning in Targeted Markets: Tools for competitive differentiation, product differentiation (features, performance, conformance, durability, reliability, style and design); service differentiation (delivery, installation, customer training, repair and miscellaneous services); personnel differentiation (competence, courtesy, credibility, reliability, responsiveness, communication); Image differentiation (identity vs. image, symbols, written and audio/visual media, atmosphere, events); developing a positioning strategy (how many differences to promote, which differences to promote, communicating the company's positioning strategy).

Services Marketing

- Nature of Services and Customer Relationship: Characteristics of services, financial products/services, services provided by financial institutions, customer value, customer satisfaction, customer care and quality, retaining customers, customer profitability and customer relationship management. Setting service standards, creating, maintaining and developing the customer relationships, and quality service culture.
- Marketing Strategies for Service Firms/Institutions: Managing service quality, managing productivity, managing product support services, importance of people in marketing financial services.
- Is Services Marketing Different? Marketing defined, special characteristics of services, nature of service product and services marketing management.

Services Marketing Strategies

- Marketing Mix Elements.
 - Packaging the service/ product, new products, life cycle of products.
 - Pricing the service/product – pricing issues in services, price vs. cost, supply and demand, factors influencing price.
 - Promotion and Communications in services marketing – internal and external communication, communication tools (advertising, sales promotion, publicity, direct marketing, personal selling).

- Service Delivery/distribution channels – accessibility and availability, head office operations, branch network Automated Teller Machines (ATM), location decisions.
- People the fifth P in services marketing – role of employees in service marketing.

New Developments and Trends Affecting Marketing of Services

- Technological developments.
- Globalisation of services.
- Mergers and consolidations of competitors.

Recommended Readings

- Woodruffe H: Services Marketing, M and E Pitman Publishing, (1995).
- Christopher Lovelock and JochenWirtz: Services Marketing, Pearson Education (2005).
- Cowdell J and Farrance CC: Marketing of financial Services, Bankers Work Book (CIB Sheffield Hallam University).
- Kotler P and Armstrong G: Marketing an Introduction, Prentice Hall 2004.
- Kotler P: Marketing Management; Analysis, Planning, Implementation and Control, Prentice Hall 200.
- BPP: Customer Services – Marketing and the competitive environment Study Text BPP publishing.
- Palmer S and Mayall: Customer Services; marketing and the competitive environment, Pitman /CIB.

Other Readings:

- Mercer D: Marketing (Blackwell Business Books).
- BPP: Marketing of Financial Services; Study text, BPP Publishing.
- Shaw JC: The Service Focus – Developing winning Game plans for Service Companies; Dow Jones – Irwin.

BF 150: Financial Mathematics

Objective

- The objective of this course is to enable students to apply Mathematics to solve daily practical business related problems.

Syllabus Content

Operations with Numbers

- Integers, Common Fractions, Decimal Fractions, Abridged Multiplication, Ratios, Proportion, Depreciation, Percent, Trade Discount, Cash Discount, Retail Price.

Exponents and Logarithms

- Laws of Exponents, Binomial Theorem, and Logarithms.

Progressions

- Arithmetic Progression, Geometric Progression, Depreciation, Infinite Geometric Progression.

Simple Interest

- Exact and Ordinary Simple Interest, Exact and Approximate time, Promissory Notes, Present Value of a Debt, Equations of Value.

Simple Discount

- Simple Discount at an Interest Rate, Simple Discount at a Discount Rate, Discounting Promissory Notes.

Partial Payments

- Merchants and United States Rules, Instalments Buying, Interest and Discount Rate used in Instalment Buying.

Compound Interest

- Compound Interest, Compound Amount, Nominal and Effective Rules, Approximation of the Interest Rate and of the Time, Present Value, Equations of Value, Equated Time.

Ordinary Annuities Certain

- Amount and Present Value of an Ordinary Annuity Certain, Period Payment, Approximation of the Term and Rate of Interest.

Amortisation and Sinking Funds

- Amortisation of a debt, Amortisation Schedule, Equity, Extinction of Bonded Debts, Sinking Funds, Sinking Fund Schedules, Depreciation, Depletion.

Bonds

- Bonds, Price of Bond, Premium and Discount, Quoted Price, Yield Rate, Bonds with Optional Redemption Dates, Annuity Bonds, Serial Bond Issues.

Annuities due, Deferred Annuities, Perpetuities

- Annuities due, Deferred Annuities, Perpetuities, Capitalised Cost.

Annuity Certain, General Case

- The General Annuity, Period Payment, Number of Payments, Approximation of the Interest Rate.

Probability and the Mortality Table

- Mathematical Probability, Statistical Probability, Expectation, Present Value of an Expectation, Mortality Table, Pure Endowment.

Life Annuities

- Ordinary Whole Life Annuity, Whole Life Annuity Due, Ordinary Deferred Whole Life Annuity, Temporary Life Annuity, Temporary Life Annuity Due, Annuity Policy.

Life Insurance

- Whole Life Insurance, Term Insurance, Endowment Insurance, Natural Premium, Terminal Reserve.

Recommended Readings

- Mathematics of Finance – Franc Agres Jr.
- Mathematics and Statistics for Business, Management and Finance – Louise Swift, MacMillan.
- Business Mathematics, A Collegiate Approach – third Edition Prentice Hall.
- Mathematics with Application in Management and Economics – fifth Edition, Earl K. Bowen, Irwin-Darsey Limited.

BF 160: Economics

Objective

The objectives of this subject are to enable students do the following:

- To provide the student with a framework with which to understand and comprehend the historical and current nature of economic development.
- To gain an understanding of micro and macro economic trends of the Zambian economy and how this relates to the regional and international economies of the world.
- To understand and appreciate the economic and competitive environments in which Banking and other financial institutions operate.

Syllabus Content

Introduction to Economic Theories

- Definition and background to the study of Economics.
- Traditional approach.
- Radical approach.
- Barter, money, legal tender, Intermediation.

The Economic Problem

- Factors of production.
- Scarcity, choice, opportunity cost, Production Possibility Frontier.

The Market Systems

Profit maximisation under different market systems:

- Purely competitive model.
- Monopolistic competitive model.
- The oligopoly model.
- The purely monopolistic model.

Applications: The Zambian historical - economic system such as, the first, second, third republics and problems of Transformation.

Pricing of Commodities and Services

- Supply; Influence of cost and price.
- Demand: Influence of utility and price.
- Concept of elasticity of demand and supply.
- Cross elasticity.
- Income and interest.
- Changes in demand and supply.
- The indifference curve and issues in consumer behaviour.
- Applications: Marketing and consumer behaviour.

Cost-Production Analysis

- Law of diminishing returns.
- Short and long run cost behaviour of the firm.
- Applications: (i) Economies and Diseconomies of small scale and large scale production in Zambia.
- Economies and diseconomies of multinational firms operating in Zambia.

International Specialisation

- Theory of comparative costs and comparative advantages.
- Interest rates, real and nominal.
- Effect of interest rates on economies, banks, financial intermediaries, firms and individuals.

Exchange Rates

- Foreign exchange market (spot market, forward market).
- Determinants of exchange rates.
- Effect of interest rate differentials on the exchange rate.
- Effect of changes in the interest rate on the economy, banks, other financial intermediaries, firms and individuals.

Balance of Payments

- Balance of trade and how imbalances can be financed and corrected (Applications: Zambia's balance of payments support mechanisms).

National Product and General Price levels

- National output measurement with specific reference to the Zambian situation.
- Effects of changes of consumption, investment and saving on the national output (GDP).
- Role of banks in financing output and providing payment services for production and distribution.

Inflation

- Measurement.
- How it arises.
- Types of inflation:
 - Hyper inflation.
 - Creeping inflation.
- Effect of inflation on an economy.

Unemployment

- Types, causes and ways of measurement.
- Remedies.

Zambian Government policies and the Economy

- Historical Context
 - Population: Historical development.
 - Demographic trends and major economic sectors.
 - The Zambian economic system from independence to date.
- Fiscal Policy
 - Effects of government spending, taxation and borrowing.
 - Current policies and principles and their effect on the banks and other financial institutions.
- Monetary Policy
 - Current Policies and principles.
 - The role of Bank of Zambia in implementing monetary policy.
- Aid and the Current Economic Trends
 - Regional economic cooperation such as SADC.
 - Multinational - cooperation such as EU and G7
 - Structural Adjustment Programme (SAP).

Recommended Readings

- G I Lipscombe - Economics and the Bank's Role in the Economy - (Pitman/CIB).
- D Cox - Success in Elements of Banking (John Murray).
- Consult Examiners Reports as well.

Diploma in Banking and Finance

Outline of Programmes

Part one – Certificate Programme (Duration One to Two Years)

- BF 110 – Business Management.
- BF 120 – Financial Accounting.
- BF 130 – Banking Law and Practice.
- BF 140 – Marketing of Financial Service and Customer Services.
- BF 150 – Mathematics of Finance.
- BF 160 – Economics.

Part two – Diploma Programme (Duration One to Two Years)

- BF 210 – Monetary and Financial System.
- BF 220 – Financial Planning, Analysis and Reporting.
- BF 230 – Corporate Finance.
- BF 240 – Banking Operations, Lending and International Business.
- BF 250 – Management of Information Technology.
- BF 260 – Statistical Analysis.

Part three – Degree Programme Part Two (Duration Two to Four Years)

- BF 310 – International Trade and Finance.
- BF 320 – Investment Analysis.
- BF 330 – Strategic Marketing Management.
- BF 340 – Residential Lending and Property Law.
- BF 350 – Regulatory Framework of Financial Institutions.
- BF 360 – Operations Research.
- BF 400 – Project in Banking and Finance.
- BF 410 – Corporate and Merchant Banking.
- BF 420 – Risk Management.
- BF 440 – Strategic Management.
- BF 450 – Financial Management.

Plus one elective from the following:

- BF 460 – Bank Treasury.
- BF 461 – Management of Financial Institutions.
- BF 462 – Lease and Project Financing.
- BF 463 – Insurance and Pension Management.
- BF 464 – Microfinance Institutions Management.

Total Duration: Four to Eight Years.

BF 210: Monetary and Financial Systems

Objectives

The objectives of this subject are to enable students do the following:

- Understand the role and functions of major financial institutions and markets.
- Understand the nature and functions of the major cash and derivative market financial institutions.
- Understand the domestic and international regulatory environment in which financial institutions operate.
- Understand the implications of the conduct of monetary policy for the financial services industry.
- Understand the major economic and other factors influencing the determination of interest rates and exchange rates.
- Understand the basic principles of personal and corporate financial risk management, with particular emphasis on the banking and building society sectors.

Syllabus Content

The Properties and Pricing of Financial Assets

- Definition of and the principal economic functions of financial assets.
- The distinction between financial assets and tangible (real) assets.
- The key properties of financial assets.
- The nature and functions of money.
- Inflation and the determination of the value of money.
- Principles of pricing of financial assets.
- Price of volatility of financial assets.
- The basic nature of financial risk and its major components.
- Managing risk through portfolio diversification.

Financial Institutions

- The functions of financial institutions.
- The role of financial intermediaries.
- How financial intermediaries operate.
- The role and functions of the Central Bank.
- Deposit – Taking Intermediaries Banks and Building Societies
 - The main banking groups, retail banks, merchant banks, other banks.
 - Structural changes which have affected the banking industry since 1980.
 - The importance of liquidity and capital.
 - Discount houses.
 - Building societies act.
 - The convergence of building society and retail banking activities.
 - National savings.
 - Finance houses.

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- Non-Deposit – Taking Intermediaries Insurance Companies.
 - The different types of insurance companies.
 - Recent changes in the insurance business.
 - The types of assets in which insurance companies invest.
- Investment Companies (Mutual Funds)
 - The different types of investment companies.
 - The economic benefits that investment companies provide.
- Pension Funds
 - What a pension plan does.
 - Managers of pension funds.
 - Management and regulation of pension plan in the major economies.

Financial Markets

- Functions of a financial market.
- Classification of financial markets.
- The basic trading structures in markets.
- Market efficiency.
- Securities markets in Zambia, Lusaka Stock Exchange, Securities Exchange Commission.
- International aspects of securities markets.
- The Equity Market
 - The equity public flotation process.
 - The role of the underwriter in the primary market.
 - Trading arrangements in the equity market.
 - Stock market indices.
 - Pricing efficiency of the stock market.
- Eurocurrency / Euro-security Markets
 - Eurocurrency activity.
 - The growth and recent developments of the eurocurrency markets.
 - Reasons for the globalisation of financial markets.
 - The distinction between a domestic market, a foreign market and the euro-market.
- Financial Innovation and Financial Markets
 - Definition.
 - Role of derivative instruments.
 - The basic economic function of a futures contract. The difference between futures and forward contract.
 - The role of the clearing house which is associated with futures exchange.
 - The role of futures markets in the economy.
 - Futures contracts.

Options Markets

- The basic features of an option.
- Call options and put options.
- The risk/return characteristics of call and put options.
- The hedging role that the organised exchanges play in standardising and guaranteeing option contract traded on exchanges.
- Options.
- Some key aspects of the major European and US options markets.
- Interest Rate Swaps and the Interest Rate Agreement Market
 - Use of an interest rate swap by institutional investors and corporate borrowers.
 - Growth of the interest rate swap market.
 - Risk/return characteristics of an interest rate swap.
 - Reasons for the development of an interest rate swap.
 - Interest rate agreement.
 - How interest rate agreements and forward rate agreements can be used by institutional investors and corporate borrowers.
- The Pricing of the Major Derivative Instruments
 - Pricing a futures contract.
 - How arbitrage between the futures market and the cash or spot market links the prices of those markets.
 - The factors that affect the price of an option.
 - The basic principles of simple option pricing models.

The Regulation of Financial Institutions and Financial Markets

- The purpose of governmental regulation of financial markets.
- The different ways that government regulate markets.
- Implementation of regulation in the major markets.
- Role of the Central Bank in supervising the banking system.
- The commercial banks' and building societies' needs for liquidity, capital adequacy and profitability, and the structure of their balance sheets in relation to these concepts.
- Building Societies Commission and the Department of Trade and Industry in the regulation of building societies and insurance companies as applicable in the United Kingdom.
- The influence of international institutions on the framework for supervising and regulating the financial system.

- The major stipulation of the main EU Banking Directives on capital adequacy and solvency ratios. Capital adequacy in Zambia.
- Causes of reform, including financial crises, financial innovation, and globalisation.

The Analysis of Interest Rates

- The distinction between 'nominal' and 'real' interest rate.
- The role in Fisher's theory of the saver's time of preference and the borrowing institution's productivity of capital.
- What the yield curve is.
- What is meant by the term structure of interest rate.
- The different shapes that the term structure can take.
- What is meant by a spot rate and a spot curve.
- The loan able funds theory.
- The meaning of liquidity preference in Keynes's theory of the determination of interest rates.
- How an increase in the money supply can affect the level of the interest rate through an impact on liquidity, income and price expectations.
- How the yield to maturity of a bond is calculated.
- Major types of bonds.
- Factors which affect the yield spread between two bonds.
- What is meant by an implicit or implied forward rate and how it can be calculated.
- Different theories about the determinants of the shape of the term structure.
- The relationship between domestic, international and Eurocurrency interest rates.

Monetary Policy

- The objectives of monetary policy. The extent to which they have been achieved in recent years.
- The instruments of monetary policy.
- The use of intermediate targets as methods of monetary control.
- Effects of monetary policy techniques on the banking and financial system.
- The goals and targets of monetary policy in the major economies.

The Analysis of Exchange Rates

- Definition of foreign exchange rates.
- A cross rate and how to calculate a theoretical cross rate.
- The foreign exchange market structure.
- The fundamental determinants of exchange rates: purchasing power parity and interest rate parity.
- How a forward exchange rate is determined and covered interest parity.
- Basic structure of the balance of payments.
- Causes of changes in the terms of trade and their impact on the balance of trade and balance of payments.
- How changes in the balance of payments affect the exchange rate.
- The main domestic and external factors which cause movements in the exchange rates, as suggested by the monetary and portfolio balance approaches to exchange rate determination.
- Different types of exchange rate systems, particularly fixed, floating and managed exchange rate regimes.
- Objectives and operation of the European Monetary System (EMS); the arguments why a country should/should not adopt a common currency (such as, ECU, UAPTA).
- Foreign exchange risk.
- The different currency derivative instruments for managing foreign exchange risk: Forwards, futures, options and swaps.

Corporate Sector Finance

- Broad trends in corporate sector financing.
- The various financing alternatives available to corporation.
- Commercial paper.
- Medium-term notes, note issuance facilities and Euro notes, syndicated loans.
- The basic terms of a loan agreement.
- Lease financing transactions.
- The key provisions of a corporate bond issue.
- the risk associated with investing in corporate bonds.
- The "high-yield" or "junk" bond sector of the corporate bond market.

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- The differences between preferred stock, corporate debt, and stock.
- Negotiable certificates of deposit.
- Banker's acceptance (BA).
- The fundamental principles of portfolio theory.
- How to calculate the historical single-period investment return for a security or portfolio of financial assets.
- The components of a portfolio's total risk: systematic risk and unsystematic risk.
- How to calculate expected return and variability of expected return on a portfolio.
- The beta of a stock measure.
- Why diversification through risk management eliminates unsystematic risk.
- Differences in hedging with forward futures and options.
- How interest rate options enable fixed income investors to hedge adverse changes in interest rates.
- Use of sensitive instruments to manage risks.

Personal Sector Finances and the Housing Market

- The broad trends in personal sector financing.
- The nature of the financial risks faced by the personal sector.
- The impact on personal sector finances of government economic policy.
- The nature of the housing finance market - liberalisation of building society operations.
- What the servicing of a mortgage involves.
- The nature and impact of regulation of a mortgage market.
- The factors determining house prices.
- The development of the current mortgage market; the role of public and private sectors.

Recommended Readings

- D. Goacher. The Monetary and Financial System CIB/Banker Books.
- R. Apps. The Monetary and Financial System Bankers Workbook CIB/Sheffield Hallam University.
- F Fabozzi Modigliani and M Ferri. Foundations of Financial Markets and Institutions Prentice-Hall.
- P S Rose and Donald R Fraser. Financial Institutions (second Ed.), Business Publications, Inc. Plano, Texas, 1985.

- M E Polakoff, Thomas A. Durkin and Others Financial Institutions and Members (second Ed.), Boston: Houghton Mifflin Company, 1981.
- L C Johnson and W W Roberts Money and Banking (Chicago: The Dryden Press, 1982).
- P H Hovwitz, Monetary Policy and the Financial System Englewood Cliff.
- Banking and Financial Services Act (1994) as amended.
- Securities Act (1993) as amended.
- Bank of Zambia Annual Reports.
- N C DeAssis and S M Yikona, Central Banking Evolution in Southern Africa, Mission Press, Ndola, (1996).

BF 220: Financial Planning, Reporting and Analysis

Objectives

The objectives of this subject are to enable students do the following:

- Obtain a clear understanding of the statutory requirements and accounting standards adopted in the construction of financial reports and accounts.
- Obtain a clear understanding of the content and structure of financial reports including group financial statements.
- Create a detailed study of financial analysis including traditional accounting ratios and cash flow analysis, and an appreciation of methods of predicting corporate success and failure.
- Obtain a clear study of business planning and decision-making including cost behaviour, investment appraisal and forecasting.

The course covers the nature and use of accounting information, relating to business entities, available to practising bankers. The legal and regulatory framework within which information is produced is reviewed as are the limitations of published accounts. From this basis the analysis of a business is developed and an introduction to business planning will also be included in the syllabus.

Syllabus Content

Financial Reporting Frame Work

- The Conceptual Aspects: Accounting theory, objectives of financial statements, corporate reports, user groups, guidelines for financial reporting standards, desirable characteristics of accounting reports. Materiality and substance over form.
- Sources of Authority: The legal framework, accounting requirements of the Companies Acts 1885-1989, the statutory formats for the presentation of accounts (ignoring small and medium sized companies).
- The Regulatory Framework: The process of setting International Financial Reporting Standards (IFRSs), Trustees, The International Accounting Standards Committee (IASC) Foundation, The International Accounting Standards Board (IASB), The Standards Advisory Council, The International Financial Reporting Interpretations Committee, advantages and disadvantages of standardisation.
- Knowledge of Standards and Financial Reporting Standards: Students will need to have a clear understanding of IFRSs that are relevant for the examinations in this subject.
- Audit and Corporate Governance: The true and fair view, the audit qualification, the Cadbury Report, responsibility of Directors.
- What is Profit: Approaches to profit measurement, economic approach, present value concepts accountants' approach via measurement of wealth by reference to the valuation of individual assets, historical cost approach, adjusted historical cost, replacement cost, net realisable value, present value, capital maintenance, the usefulness of different profit measurements.

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- Limitation of Historical Cost Statements: Lack of forecast information, cost Vs value, inflation and asset values and depreciation, undisclosed assets and liabilities, window dressing.
- Distributable Profits: Provisions of Companies Act 1985-1989 (UK) (including actual calculations) realised profits.

Financial Reporting – The Practical Aspect

- Valuation of Tangible Assets: The identification of a fixed asset and its cost, capitalisation of interest costs, enhancement costs and valuations of fixed assets, bases of valuations - open market value and depreciated replacement cost, qualifications of valuers, permanent diminutions of value, revaluations of reserves, valuation and depreciation, IAS 16, IAS 36, IAS 40, IAS 11, (calculations of profits on long-term contracts).
- Valuation of Intangible Assets: Nature of intangible assets and in particular good will and brands, accounting for goodwill IFRS three, research and development IAS 38.
- Fair Value Accounting: IFRS three and deprival values.
- Accounting for Liabilities: IAS 32, IAS 39 and Financial instruments, accounting for post balance sheet events, IAS 10, accounting for contingency, IAS 37, accounting for pensions costs, IAS 19.
- Financial Statements - Form and Content: IFRSs and reporting financial performance, accounting for leases and hire purchase, IAS 17 (ignore all aspects of accounting for leases by lessors), reflecting the substance of transactions IASB Framework 35, segmental reporting, IAS 14, earnings per share, AIS 38, treatment of government grants, IAS 10.
- Taxation: Taxation, including deferred taxation IAS 12.
- Accounting for Investment and Business Combinations: The accounting treatment of an investment of less than 20 percent in a company, the accounting treatment of associated or related business investment including calculations of goodwill IAS 28 group accounts and consolidation of subsidiary companies, IFRS three, fair value of assets and liabilities and treatment of goodwill.

Capital Structures

- Capital Reorganisation: Redemption and purchase of shares. Capital reduction and reconstruction, evaluation of capital reconstruction schemes, liquidation.
- Valuations of a Business: Buyers and sellers, break up valuation, going concern valuations, book value, replacement cost, earning yield valuation, P/E ratio valuation, dividend yield valuation, cash flow valuation, valuation of minority interests and majority interest valuations, negotiation and price fixing.

Interpretation of Financial Reports

- Ratio Analysis: Principles of ratio analysis, objectives, classification of accounting ratios, profitability ratios, return on capital values, liquidity and solvency ratios, interest cover and gearing/leverage ratios, working capital ratios and cash operation cycle, asset utilisation ratios including EPS (exclude diluted EPS), limitation of

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accounting ratios, full interpretation of all ratios including possible reasons for change in trend of ratios.

- Cash Flow Statement and Cash Flow Analysis: Preparation of cash flow statements in accordance with IAS seven, interpretation of cash flow statements including calculations of cash flow ratios for cash margin on sales, interest cover on a cash flow basis, dividend cover on a cash flow basis, relationship between cash flow and operating profits and a comparison of conventional ratios and cash flow ratios, overtrading the characteristics and cures and the significance of OCF to the problem of overtrading, predicting corporate failure.

Management Control

- Cost Behaviour: Cost behaviour and analysis, classification of costs into fixed and variable costs, contribution costing and break-even analysis, profit equilibrium, margin of safety, stepped costs and curvilinear (semi variable) cost and revenues, multi products and multiple break-even points, limiting factors, sunk cost and margin cost.
- Capital Investment: Reasons for capital expenditure (expansion, modernisation, repair/renewal, lease or buy decisions), allocation of scarce economic resources, methods of assessment of capital expenditure including the following - payback, accounting rate of return, net present value, internal rate of return, inflation and investment decisions.
- Plans, Forecasts and Budgets: Need for planning, forecasting and budgets, the forecasting of cash flows, projected balance sheets and profit and loss accounts, problem of VAT, alternative courses of action, budgeting, planning and control the various budgets of a business (including sales budget, production budget, general administration budget, cash budget, master budget, capital expenditure budget and financing budget).

Recommended Readings

The two recommended main textbooks are:

- D A Alexander and A Britton: Financial Reporting (International Thomson Business Press).
- J R Edwards and H J Mellet Accounting for Banking Students (CBI/Bankers Books).

Appendix

International Financial Reporting Standards and International Accounting Standards that may be examined.

International Financial Reporting Standards

IFRS three: Business Combinations

International Accounting Standards

IAS 10: Events after the balance sheet date.

IAS 11: Construction Contracts.

IAS 12: Income Taxes.

IAS 14: Segment Reporting.

IAS 16: Property, Plant and Equipment.

IAS 17: Lease.

IAS 19: Employee Benefits.

IAS 28: Investments in Associates.

IAS 36: Impairment of Assets.

IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

IAS 38: Intangible Assets.

IAS 40: Investment Property.

BF 230: Corporate Finance

Objectives

The objectives of this subject are to enable students do the following:

- To provide understanding of the nature and role of financial management.
- To provide knowledge and understanding of the general financial environment and the operation of financial systems with particular reference to Zambia.
- To develop a working knowledge and understanding of the theoretical framework and analytical techniques involved in investment and financing decisions.
- To develop a working knowledge and understanding of the factors involved in working capital management.
- To develop the student's ability to apply the tools of financial analysis and interpret results.

Syllabus

Overview of Managerial Finance

- Dividend Decision, Financing Decision, Investment Decision and Financial Analysis.

Sources of Finance

- Introduction to sources of Finance, Long Term Sources of Finance; Methods of Raising Equity Capital; Long Term Debt; Preference Shares; Convertibles; Options and Warrants.
- Medium Term Sources of Finance: Leasing; Hire Purchase; Bank Loans.
- Short Term Sources of Finance: Bank Overdraft; Delay Payment; Eurocurrency Market Factoring.
- Miscellaneous Sources of Finance. Asset Backed Financing: Government Assistance, External Funding.

Valuation of Future Cash Flows

- First Principles of Valuation: The Time Value of Money, Valuing Equity Stocks and Bonds.

Cost of Capital

- The cost of Capital.
- The cost of Equity.
 - The Growth Model Approach.
 - The Security.
- Cost of Equity Capital

- Cost of Debt Capital
- The Weighted Average Cost of Capital (WACC)
 - Advantages/Disadvantages of WACC.
- Floatation costs and the weighted average cost of capital.

Capital Budgeting

- Accounting Rate of Return; Profitability Index.
- Net Present Value, Pay Back Period, Internal Rate of Return.
- Making Capital Investment Decisions.
- Project Analysis and Evaluation.

Risk and Return

- Some lessons from Capital Market History.
- Return, Risk and Security Market Line.
- Portfolio Theory and Capital Asset Pricing Model (CAPM).

Interest Rate Risk Management

- Financial Futures.
- Interest Rate Options.
- Forward Rate Agreement.
- Interest Rate Swaps.

Dividend Policy

- Competing Dividend Policy Theories.
 - Dividend Policy is Irrelevant.
 - Dividend Policy is Relevant.
- Maximising Wealth of the Equity Shareholders.
- Factors influencing Dividend Policy.
 - The law on distributable profits.
 - Restrictive covenants of lending institutions.
 - Dividend Policy for companies in the same industry.
 - Liquidity.
 - Access to funds.
 - Investor Expectations.
 - Firm gearing level.

Foreign Currency Management

- The Dealing Mechanism.
- Foreign Exchange Markets and Exchange Rates.
- Purchasing Power Parity.
- International Fisher Effect.
- Interest Rate Parity.

Recommended Readings

Essential

- Fundamentals of Financial Management, J Van Horne, Prantice-Hall.
- Essential of Managerial Finance, J Weston and E Brigham, Dryden Press.

Supplementary

- Financial Management and Policy, J Van Horne, PHI.
- Management of Company Finance, J Samuels and F Walkes, VNR.
- Corporate Finance, S Ross, J Jaffe and R Westerfield, Irwin.
- Investment Decision and Financial Strategy, R Pike and R Dobbins, Phillip Allan.
- Financial Management, R Soldefsky and R Olive, SWP.
- Multinational Finance, A Buckley, Philip Allan.
- Guide to Working Capital Management, K Smith, McGrant Hill.
- Floatation Prospectuses of Zambian Companies such as, Chilanga, from Zambia Privatisation Agency Selected articles from professional publications.

Note: Latest editions of texts are used.

BF 240: Banking Operations, Lending and International Business

The objectives of this subject are to enable students do the following:

- Adopt the principles of good lending.
- Identify the lending services appropriate to the needs of the individual, small business or corporate body.
- Interpret financial statements in order to monitor the continuing viability of the borrowing customer's financial position.
- Understand how funds are transferred internationally on behalf of personal and trading customers and the different settlement methods in international trade.

Subject Order

You are advised to study the following subjects prior to sitting this paper:

- Economics.
- Introduction to Accounting.
- Legal aspects of Banking.

Syllabus

Section A: Lending

- Canons of Lending.
 - Banks' lending policies.
 - The canons of lending and their application in practical lending situations.
 - The techniques of good lending practice - safety, liquidity and profitability.
- Personal Borrowers.
 - Types of lending service and their appropriate customers.
 - Benefits to the customer
 - Credit scoring: purpose, procedures and benefits
 - Special considerations needed for accounts of students and minors.
- Other Borrowers.
 - Special types of borrowing customer: clubs, associations, societies, trustees, sole traders, partnerships and companies: the application of canons of lending in each case.
 - Special considerations when lending to non-personal customers for purchase of a business, trading purposes or capital expenditure.
 - Relevance of memoranda and articles of association to the lending banker; protection for the bank.

- General Principles of Security.
 - Features of ideal security: types of security commonly offered.
 - Types of charge and common charge from clauses, which protect the bank's position; conditions for taking charges over customer's property.
 - Technical points to be considered when taking security; valuation; steps to be taken to protect the bank's interest.
 - Discharge and release of security.
- Review and Control of Accounts
 - Purpose of reviewing accounts; information available in bank records; methods of using it to monitor trends on borrowing accounts; need for early action to remedy adverse trends.
- Bad and Doubtful Debtors
 - Causes and warning signs of possible problems with borrowing accounts.
 - The stages of recovering bad debts; legal proceedings; common problems in recovering debts and means of overcoming them.
- Interpretation of Financial Statements
 - Main areas of interest in the analysis of customers' financial statements by the lending banker: Safety and profitability; methods of comparing trends shown up in the analysis.
 - Purpose and content of budget profit statement and cash flow forecast; assumptions made in their preparation; effects of changing circumstances. The importance of monitoring actual performance as compared with budgeted figures.
- Alternative Sources of Finance
 - Specialist sources of finance available through the banks and other financial institutions: features and benefit.

Section B: International Business

- Inter-bank Nostro and Vostro Accounts
 - The accounting methods used by banks to make transfers of funds to banks in other countries. Operation of nostro and vostro accounts.
- Remittance and Receipt of Funds
 - Advantages and disadvantages of various ways of transferring funds between individuals in different countries. SWIFT: speed of operation.

- Rates of Exchange
 - Factors affecting foreign exchange rates. System and procedures for buying and selling foreign currency.
 - Means of protecting customers from exchange risk: types, benefits and operation of forward exchange contracts.
 - Method of operating foreign currency accounts: advantages and disadvantages to customers who maintain them.
- International Trade for Exporters and Importers
 - Terminology of international trade. Risks and problems of international trade.
 - Methods of settlement: procedures; documentation.
 - Assistance to exporters and their banks in finance and insurance of trade.
 - Main sources of advice, help and information for exporters and importers; methods of finance available.
- Acceptance Credits
 - Acceptance credit accounts: their purpose and method of operation.
- Other Services
 - Advantages and disadvantages of ancillary services available to customers involved with international trade, including: bank guarantees; bonds; forfeiting; factoring; LIFFE.

Recommended Reading

- A M Davies and M Kearns, Banking Operations - UK Lending and International Business (Pitman/CIB).
- BPP, Banking Operations - UK Lending and International Business; Study Text (BPP Publishing).
- Consult Examiners Reports as well.

BF 250: Management of Information Technology

Objectives

- To provide non-specialists with a sound knowledge and understanding of Information Technology (IT) and its application to the financial services industry.

Syllabus

Computer Systems in the Organisation

- The importance of IT in business, and in particular the financial services industry. Its effect upon the organisation and the people who work in it. You should be able to quote examples from the financial services industry to support any assertions made.
- Business: The effect of computer systems on the type of business carried out and the response of the business to opportunities and competition.
- Employees: The effects of computer systems on employees and the working environment, impact on employment patterns and on individual clerical and management functions.
- Management: The application of systems to support management effectiveness and decision-making. Management of change as a result of implementing new systems. Achieving the business benefits from computer systems.
- Customers: The implications to the customer of the use of IT on the delivery of financial products and services. Impact of IT on the banker/customer relationship.
- Training: The importance of training in the effective use of IT and the dangers of inadequate training.
- Strategic Issues: Business planning and the importance of a coherent IT policy; evaluation and achievement of benefits of implementing computer systems. The use of IT in achieving competitive advantage.

Information Processing and Computer Hardware

You should have a sound grasp of:

- The general principles involved in the processing of each type of information.
- The basic operation of computer hardware.
- Types of software ranging from custom-written programmes to general purposes of the shelf packages.
- Commercial application of systems used in banking and finance.
- Electronic Office (Office Automation)
 - Text processing: an understanding of the functionality and application of typical word-processing and desk top publishing system.

- Spreadsheets: the principle features and common uses of spreadsheets.
- Communication: electronic mail and document transfer.
- Multi-media: merging of audio, visual and communication systems.
- Data Processing
 - File-based system - file types, files, fields and records, access to files.
 - Databases: use and application: function of Database Management System (DBMS); logical and physical views of data; extraction processing and batch processing; differences suitability for specific applications.
- Decision Support System
 - The general principles of 'knowledge-based' systems, their use and capabilities.
 - Executive information systems.
 - The production and use of management information at strategic, tactical and operational levels.
- Computer Hardware
 - Central Processing Unit (CPU): the purpose and functions of the processor unit and its associated memory. Storage media; the types of magnetic and optical storage media, their advantages and disadvantages.
 - Input and output devices: types of device, their characteristics and applications.
 - Communication devices: transmission of data across analogue and digital network.
- Computer Systems and Networks
 - Architecture of computer networks; local and wide area networks; distributed and centralised systems; client/server systems; micro; mini and mainframe computers. Systems software; the basic function of operating systems and environments.

Information Security

You should have a sound understanding of the reasons for securing data and the general principles, which apply when assessing risks and determining what security measures need to be taken.

- Legislation
 - Data Protection Act 1984: Its purpose, principles and responsibilities.
 - Computer Misuse Act 1990: Its purpose and application.

- Confidentiality
 - The classification of date, types of exposure, associated risks and methods of reducing or eliminating the risk.
- Availability
 - Maintaining computer systems availability, assessment of the level of contingency and recovery required.
 - Disaster recovery.
- Integrity
 - Protecting system and data integrity from:
 - Internal threats: software and hardware failure, data corruption during input, processing or transmission.

Management of Systems Development and Implementation

You should have a sound grasp of the main process involved in the development of systems to address needs, the use of system development methodologies and the management of projects. (Detailed knowledge of any specific methodology will not be expected).

- Systems Development Cycle
 - The activities in each of the steps in the development and maintenance of systems, with emphasis on those steps where users are most heavily involved, including post-implementation reviews.
- Project Management
 - The definition of a project and its management including an understanding of tools used to control projects, such as Gantt Charts and network analysis
- Business Analysis
 - Business re-engineering: use of process mapping in the understanding and analysis of improving delivery of products and services, use of IT to re-engineer rather than just automatic manual process
 - User involvement: use of techniques such as joint application design and prototyping
 - Quality: Measurement of quality in systems design and implementation

Recommended Readings

- G Flower and Fawcett, Management of Information Technology - Bankers Workbook (CIB/Bankers Books)

Further Readings

- Bill gates, The Road Ahead (Viking)
- Charles B Wang - Techno Vision (McGraw Hill)
- D Knights and F Murray, Managers Divided: Organisations Politics and Information Technology Management (Wiley).
- BPP, Management of Information Technology: Study Text (BPP Publishing).

It is important to read widely on this subject - you should consult general textbooks on information technology and keep up on date with current developments in financial services institutions by reading relevant magazine articles.

BF 260:Statistical Analysis

Objectives

- The objective of this course is to introduce tools of research and statistical analysis in business and to enable students to apply such tools in business decision-making. Research methods are taught to facilitate the application of the statistical techniques to problem solving. Use of statistical software packages such as SPSS, Minitab, and SAS will be required.

Syllabus Content

The Nature of Statistics

- Introduction, concepts, population, Bias, Sampling.

Descriptive Statistics

- Introduction, Descriptive measures, Arithmetic mean, median, quartiles and quartiles, standard deviation, variance, graphical representations.

Probabilities

- Introduction, Random experiment, sample space, outcomes, events, probability and its outcomes, conditional probability, independent events, Baye's theorem, permutation and combinations.

Univariate Distributions

- Introductions, Random variables, Binomial random variable, Poisson random variable, uniform random variable, Exponential random variable, and normal random variable, Expected value of a random variable, variance and standard deviation.

Sampling Distribution

- Introduction, mean and variance of a sample mean, sampling from a normal population, The Central Limited theorem, Application to the binomial distribution.

Point Estimation and Interval Estimation

- Introduction, Sampling distribution, good estimators, Bias, Variance and mean square error, intervals for the mean of a normal population with : known variance, unknown variance, The distribution, student's t – distribution, intervals for mean differences; paired samples, independent samples, confidence intervals for proportions for a single proportion, Differences between proportions.

Hypothesis Testing

- Introduction, hypotheses, Null and alternative hypotheses, one sided and two sided alternative hypotheses, type one and type two errors, testing hypotheses about population means: known variance, unknown variance, Two sample test, P-values, values, tests for binomial probabilities of success.

Analysis of Variance

- Introduction, One-way analysis of variance, Two-way analysis of variance.

Linear Correlation and Regression

- Introduction, Correlation, Rank Correlation, the linear regression model, least squares estimation, Confidence intervals and Hypothesis tests.

Goodness-of-Fit Test and Contingency Tables

- Introduction, Goodness-of-fit tests, Testing when a population parameter is not known, testing for association in two-way table.

Time Series Analysis and Forecasting

- Time series data, index numbers.

Statistical Decision Theory

- Decision making under uncertainty, Expected monetary value, the value of sample information, Utility Analysis.

Recommended Reading

- P Newbold, Statistics for Business and Economics (London: Prentice hall, 1995, fourth Edition) [ISBN 0-3124-06378-1]
- Tailoika F P, Questions and Answers, Business Mathematics and Statistics (Ndola: Mission Press, 2000) [ISBN 0982-07-111-4]

Other Recommended Reading

- David R Anderson, Dennis J Sweeney, Thoma A William, Statistics for Business and Economics. West Publishing Company, 610 Opperman Drive, PO Box 64526, St Paul, MN 55164-0526, (1996) [ISBN 0-3124-06378-1]
- David Bowers. Statistics for Economics and Business (Macmillan Press Ltd, 1991) [ISBN 0-333-53435-2 (paperback)]
- Thomas H Wonnacott, Ronald J Wannacot, Introductory Statistics (John Wiley and Sons, Inc. 1990)
- Frank Owen and Ron Jones. Statistics, Pitman Publishing Company, 128 Long Acre, London 5 WC2E 9AN (1994) [ISBN 0273-60320]
- Roger C Dfaffenberger, James H Patterson. Statistical Methods for Business and Economics (Irwin, Homewood, Illinois 6000000430) (1987) [ISBN 0-256-03664-0]
- Mendenhall, William. Mathematical Statistics with Applications (PWS Publisher, 1981) [ISBN 0-534-98019-8]

A5 | **Workshops/Seminar**

A5 Workshops/Seminars

Basel II

Target: Managers and other professionals involved in implementation, compliance, regulatory reporting, credit risk management, treasury and asset liability management.

Duration: Three days.

- Basel II Norms.
- Risk Categorisation.
- Impact on the overall lending process.
- Basel II data infrastructure and regulatory reporting requirements facing financial institutions.
- View on the road to reporting compliance.
- Basel II impact on enterprise technology.
- Provide valuable insight for peer institutions dealing with regulatory capital calculations and reporting.
- The impact of Basel II on private equity investments, or on lower grade/longer term credit exposures, by banking organisations.
- Other Legal and Compliance Issues Relating to Operational and Reputational Risk: Capital Markets Perspective.
- Impact on Borrowing.
- Conclusions on the Basel II recommendations.

Debt Collection Skills

Target: Credit department staff and all staff tasked to collect debt.

Duration: Three days.

Debt Collection Overview

- What is debt?
- How is debt created?
- Payment terms and methods.
- Credit policy.
- Credit assessment.

- Credit decisions.
- Internal control.
- Alternative methods of debt recovery.
- Debt collection defined.
- Debt collection strategy.

The Collection Process

- Identify the customer, yourself and the company.
- State the reason for the call.
- Pause and listen.
- Ask fact finding questions.
- Solution selling.
- Overcoming objections.
- The payment plan.
- Closing the call.
- The letter strategy.

Legal Aspects of the Collection Process

- Legal mechanisms for debt collection.
- Legislation relating to debt collection.
- Debt collection legal process.
- Criminal sanctions in debt collection.
- Debt collection appeals process.

Course Review.

Back Office and Operational Risk Management

Target: Managers and staff of central and commercial banks with responsibility for management and control of operational risk and back office staff.

Duration: Five days.

The Treasury Function

- The role and aim of treasury.
- Front, middle and back office.

Introduction to Instruments

- Bonds.
- Foreign exchange deals.
- Interbank deposits.
- Futures.

Operational Structures

- Physical locations.
- Independence from Treasury.
- Segregation of duties.

A5 - 2

- Reporting lines and controls.
- Delegation of authority.

Confirmation and Settlement Process

- Settlement processes.
- Requirements for different instruments.
- Risk in settlement.
- Transaction workflow.
- Messaging controls.

Management Information Reports

- What to report, when, and how to report it.
- Information versus authorisation.
- Distribution and formatting.

Operational Risk and Risk Management

- Banking risk spectrum.
- Operational risks.
- Preventative controls versus detective controls.
- Procedures and systems failure.
- Cost versus benefits.
- Tools for managing risk.
- The COSO framework.
- Risk management in Back Office.

Practical Implications for Back Office

- Types of risk associated.
- Record keeping.
- Role of supervisor.

Business Continuity

- Why do we need it.
- Types of disasters and backup.
- Key issues for the Back Office.

Course Review.

Managing Credit Risk

Target: Managers and officers in the credit function.

Duration: Five days.

Course Introduction

- Financial Services environment in Zambia.
- Managing credit risk and the bank's balance sheet.

- Quality of lending- reasons for poor lending decisions.
- Developing a credit policy.
 - Lending principles.
 - Effective credit procedures.
 - Credit monitoring and control.
- Building a credit portfolio.
 - Business objectives.
 - Risk concentration.
- Lending to different entities.
 - Personal lending.
 - Partnerships.
 - Unincorporated bodies and small businesses.
 - Corporations.
- Lending principles.
 - Basis for assessment of loan propositions.
- Production of business plans.
- Project appraisal.
 - Fundamental analysis.
 - Establishing viability.
- Securing credits.
 - Property mortgages.
 - Guarantees.
 - Debentures.
 - Life assurance and stock exchange securities.
- Financial management.
 - Financial structures.
 - Financial analysis.
 - Leveraging.
- Business Analysis.
 - Use of financial ratios.
 - Cash flow.
 - Costing.
- Controlling and monitoring advances.
- When things go wrong.

- Action in financial emergency.
- Loan workouts.

Course review.

Train the Trainer

Target: All Staff involved in the training of other staff.

Duration: Two days.

- Starting a Course.
- Adult learning.
- Learner styles / Categories.
- Training approaches.
- Determinants of training methods.
 - Sequencing the learning process.
 - Lesson planning and adjustment.
 - Writing a lesson plan.
- Training delivery.
- Facilitation techniques.
- Use and management of audio visuals.
- Participation behaviour observation.
- Key performance areas/Behaviour competencies.
- Closing a training course.

Financial Statements Analysis

Target: Credit Analysts.

Duration: Two days.

- Limitations of financial statements.
- Critical assessments of key ratios.
- Construction of cash flow statements.
- Dynamics affecting the profitability or breakeven of a business.

Customer Service

Target: All bank staff.

Duration: Two days.

- Overview.
- Efficient and effective communication.
- Customer relationship management.
- Customer Service as a competitive edge tool.

Effective Leadership

Target: All team leaders (managers/ supervisors).

Duration: Three days.

- Management functions.
- Human relations discipline.
- Effective decision making.
- Appropriate leadership styles for team building.
- Effective communication skills.
- Understanding the organisation culture.
- Staff motivation and productivity increase.
- Effective negotiation skills.
- Stress management.

Basic Banking Operations

Target: New employees.

Duration: Five days.

- Functions and services rendered by banks.
- Cheques.
- Accounts offered by banks.
- Procedures for opening such.
- Transfer of funds.
- Bank cheques.
- Bankers payments.
- Clearances/Interbranch.
- Basic interpersonal skills.

Cashiering

Target: Bank tellers, cashiers.

Duration: One day.

- Cashiering.
- Cash and bank balancing.
- Cash and cheque deposits.
- Audit trail.
- Bank reconciliation.
- Transit account.

ACI Dealing

Target: Wholesale foreign exchange and money market practitioners.

Duration: Six days.

- Basic interest calculations.

- Cash money markets.
- Cash money markets calculations.
- Foreign exchange.
- Foreign exchange calculations.
- Forward – forwards, FRAs, money markets futures and swaps.
- Options.
- The principles of risk.
- The model code.

Financial Derivatives

Target: Managers and trading room staff.

Duration: Three days.

- The cash market.
- The market for derived products.
- Nature of the relationship between the two markets.
- Stock options, interest rate options, currency options.
- Interest rate futures, currency futures.
- Interest rate swaps, currency swaps.

Understanding Corporate Treasury

Target: Treasury managers, dealers, auditors, accountants, tax staff.

Duration: Five days.

- Treasury management overview.
- Liquidity management.
- Risk management.
- Corporate finance and funding.
- Treasury management functions.

Securities

Target: Senior clerks/supervisors working in credit section.

Duration: Three days.

- Define nature/function of security.
- Identify different types of terminology used, for example, mortgage, pledge.
- Outline how charges are taken on:
 - Land.
 - Stock.
 - Life policies.
 - Guarantees.
 - Debentures.
- Realisation of security.

Credit Analysis

Target: Middle managers or senior clerks/supervisors.

Duration: Four days.

- Brief recap of principles of lending as it affects the various types of borrowers; individual, sole traders, partnerships, companies and un-incorporated bodies.
- Analysis of the business from the point of view of the financials.
 - Trading, profit and loss account.
 - The balance sheet.
 - Cash flow and funds flow statements.
 - Cash flow projection.
 - Activity ratios/breakeven analysis.
- Analysis of the business from the point of view of the non financials
 - The wider environment.
 - Industry/market situational audit.
 - Statement of key factors for success.
 - Competitive position.
 - Management.

The Finance of International Trade

Target: Bank middle management staff in relationship management or credit related roles.

Duration: Three days.

- The trade sales process.
- Trade products and their risk implications.
- Country limits.
- Understanding letters of credit.
- Export finance, short term, pre/post, LC and non LC related.
- Import finance.
- Relation of facilities to business operating cycle.
- Double financing and related issues.
- Longer term trade finance.
- Bonds and guarantees.
- Fraud.

HIV/AIDS Awareness in the Work Place

Target: All staff.

Duration: One day.

Forensic Investigations and Interviewing Techniques

Target: Internal audit staff.

Duration: Two days.

Fraud Prevention and Detection

Target: Foreign department staff or staff specifically doing bank transfers.

Duration: Three days.

- Frauds.
- Frauds and risks.
- Things facilitating frauds in an organisation.
- Risk analysis and controls.
- Bribery and corruption.
- Money laundering.
- Cyber crime and computer security.
- Legal aspects of fraud prevention and detection.

Team Work

Target: All bank staff.

Duration: Two days.

- The importance and benefits of working together in teams.
- How to commit to and work together in teams.
- How to share information to accomplish team tasks.
- How to use feedback to ensure genuine understanding and resolve differences.
- How to act as “bridge” between customers and colleagues whose services are needed to satisfy these customers.
- Communication and feedback skills.
- Negotiation and consensus building skills.
- Action planning skills.

Time Management

Target: All staff.

Duration: Two days.

- Overview.
- Time management.
 - Analysing time.
 - Consideration of one’s own time management problems.
- Time for change.
 - The benefits of positive reinforcement.
 - Attitudinal change.
 - What the course will do for you.
- Time stealers.
 - An in depth analysis of time stealers.
 - Are you permitting others to use your time?

- Time wasters.
 - My significant timewasters.
- Creating time.
 - Finding the time.
 - The art of delegation.
 - Time hang-ups.
 - How and why to use a diary.
- What is worth doing?
 - Procrastination- the “thief of time.”
 - Prioritising and planning your work.
- Helping the future happen.
 - What issues could be blocking the achievement of your goals.
 - A plan of action on how to achieve these goals.
- Gaining control of your time.
 - Techniques to ensure you get the upper hand.
 - Oral thinking solutions.
 - Creative thinking.
- Personal preference inventory.
 - Looking at conflicting behaviours in your time management style.
- Getting the most from your time investment.
 - Ensuring you utilise your time constructively.
 - Stress management.
 - Assertiveness versus aggression.
- Your own time management achievements.
 - Delegates will critically assess how they have improved their time management techniques.

Asset and Liability Management (ALM)

Target: Managers of banks and other financial institutions.

Duration: Three days.

- The nature and importance of ALM.
- Making More Money from ALM and Treasury.
- A and L Structure Strategy.
- Shorter Term Treasury Planning.

- Centralised- Active and Other Approaches to ALM.
- Organisation Structure for ALM, Treasury, Sales and Trading.
- World-Class Standards of ALM, Treasury, Sales and Trading.
- Risk Control Systems.
- ALM profit Measurement.
- ALM-Related Computer Systems.
- Human Resources for ALM.
- Increasing the Cost-Effectiveness of ALM, Treasury and Trading.

Internal Control and Audit

Target: Internal Audit or Inspection department staff.

Duration: Three days.

- Introduction.
 - Auditing: goals and types.
 - Internal auditing: definition, goals, types and procedures.
- Internal Auditing: Theoretical Overview.
 - The successful internal auditing.
 - Internal auditing standards.
- Internal Auditing: Practical Overview.
 - Internal Audit department: objectives and responsibilities.
 - Scope and methods of internal auditing.
- Internal auditing over information systems.
 - Assessing the level of security.

Pensions Management

Target: Managers and executives who need to understand the wide-ranging policy and practical issues affecting pensions.

Duration: Three days.

- Pensions fundamentals.
- Pension v provident fund.
- Nature of pension provision.
- Considerations for pension policy.
- Fundamental pensions policy.
 - Role of the state.
 - Taxation.
 - Defined benefit v defined contribution.
- Issues relating to state schemes.

- Private sector schemes.
 - Criteria for establishing a scheme.
 - Alternative structures.
 - Contribution/benefit structure.
- Privatisation of public sector schemes.
- Pension scheme sources.
- Investment options.
- Asset allocation.
- Scheme administration.
 - Functions of a pensions department.
 - Record keeping.
 - The role of IT.
 - Scheme reporting.
- Regulation and supervision.
- Establishing a trust.
- Role of trustees.
- Actuarial concepts.
- Role of the actuary.
- Valuations and transfers.
- Potential problem areas.

Course review.

Insurance Needs for a Banker

Target: Managers, Branch Managers and Supervisors.

Duration: Three days.

- Introduction to Insurance.
 - Definition and Principles.
- Insurance Needs for the Bank as a Business Entity.
- Insurance for The Banker's Clientele.
- Risk Assessment as a Banker.
 - How Do Poor Risks affect your lending/Loan Facilities?
- Insurance for the Banker as a Person.
- Claims Procedures.

A6 | **Workshop/Participant Feedback Form**

A6 Workshop/Participant Feedback Form

Your feedback will play a very critical role in the enhancement of the course's effectiveness. You are therefore required to fill in the form as honestly as possible.

Participant Name: _____ Course Name: _____

Course Date: _____ Course Location: _____

Course Number: _____ Class Number: _____

Facilitator(s) 1. _____ 2. _____
3. _____ 4. _____

Please find below 13 statements and a five-point scale. Tick the box beside the response that is most appropriate for each statement. Additional comments are welcomed.

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

		1	2	3	4	5
1	I had prior knowledge and/or skills required to start the course					
2	The facilities and equipment were favourable to learning					
3	I attended the course when I needed it most					
4	I clearly understood the course objectives					
5	The course met all of its stated objectives					
6	The way this course was delivered (such as classroom, computer, video) was an effective way for me to learn the subject matter					
7	Participant material (handout, workbooks, etc.) were useful during the course					
8	I had enough time to learn the subject matter covered in the course					
9	The course content was logically organised					
10	Overall, I was satisfied with the facilitator(s) <ul style="list-style-type: none"> ▪ Facilitator 1(Name) ▪ Facilitator 2(Name) ▪ Facilitator 3(Name) ▪ Facilitator 4(Name) 					
11	My knowledge and/or skills increased as a result of this course					
12	The knowledge and/or skills gained through this course are directly applicable to my job					
13	Overall, I was satisfied with this course					

Thank You

A6 - 1

A7 | **Proposed Training Programme Modules**

A7 | Proposed Training Programme Modules

Credit Administration and Management

- Basel II.
- Credit Analysis.
- Finance of International Trade.
- Financial Statement Analysis.
- Lease Finance.*
- Lending to SMEs.*
- Managing Credit Risk.
- Project Finance.*

Marketing and Business Development

- Customer Service.

Banking Operations

- Back Office and Operational Risk Management.
- Basic Banking Operations.
- Cashiering.

Treasury and Investment

- ACI Dealing.
- Asset and Liability Management (ALM).
- Financial Derivatives.
- Insurance Needs for a Banker.
- Pensions Management.
- Securities.
- Understanding Corporate Treasury.

Banking Law

Audit and Accountancy

- Internal Control and Audit.
- International Financial Reporting Standards (IAS/IFRS).*

Information Technology

Loan Administration

- Debt Collection Skills.
- Problem Loan Management.*

Management and Self Development

- Effective Leadership.
- Forensic Investigations and Interviewing Techniques.
- Fraud Prevention and Detection.
- HIV/AIDS Awareness in the Work Place.
- Team Work.
- Time Management.
- Train The Trainer.

Existing Workshop/Seminar Set

- Basel II.
- Debt Collection Skills.
- Back Office and Operational Risk Management.
- Managing Credit Risk.
- Train The Trainer.
- Financial Statement Analysis.
- Customer Service.
- Effective Leadership.
- Basic Banking Operations.
- Cashiering.
- ACI Dealing.
- Financial Derivatives.
- Understanding Corporate Treasury.
- Securities.
- Credit Analysis.
- Finance of International Trade.
- HIV/AIDS Awareness in the Work Place.
- Forensic Investigations and Interviewing Techniques.
- Fraud Prevention and Detection.
- Team Work.
- Time Management.
- Asset and Liability Management.
- Internal Control and Audit.
- Pensions Management.
- Insurance Needs for a Banker.

A8 | **Benchmarking Details**

A8 Benchmarking Details

Institution	Role and Responsibilities	Membership and Affiliations	Current Educational, Training and Continuing Professional Development Programmes	Current Professional Examinations for Bankers and Certification Processes Including Quality Assurance Processes	Ownership and Organisation Structure
<p>The Chartered Institute of Bankers (Ghana)</p>	<p>The Institute seeks to provide the stimulus for the development of competent and more qualified human resources that will enable the banks to offer efficient and competitive services to meet modern day sophisticated demands and satisfaction.</p> <p>The main objectives are:</p> <ul style="list-style-type: none"> ▪ to establish and maintain appropriate standards of education and experience for persons engaged in the practice of banking or entering 	<p>Bank, non-bank financial institutions and related agencies with operations in Ghana.</p> <p>List of primary members:</p> <ul style="list-style-type: none"> ▪ Agricultural Development Bank ▪ Amalgamated Bank Ltd ▪ ARB Apex Bank Ltd ▪ Bank of Ghana ▪ Barclays Bank of Ghana Ltd ▪ Cal Bank Ltd ▪ Ecobank (Ghana) Ltd ▪ Exim Guaranty Company (Ghana) Ltd ▪ Fidelity Discount House Ltd ▪ First Atlantic 	<p>Seminars/Continuing Development Programmes:</p> <ul style="list-style-type: none"> ▪ Business Ethics in Banking ▪ Achieving Teller Excellence ▪ Stress Management ▪ Business Ethics in Banking ▪ Work Ethic & Ethics in Banking ▪ Current Development & Information Technology Cycle (Continuing Professional Development) ▪ Ghana Economic Analysis & Forecasts 	<p>Professional Banking Course</p> <p>The Institute has opened its Professional Banking course to the general public to enable those interested to pursue the course.</p> <p>The following are the basic entry requirements of the Institute:</p> <p>School Certificate: Six (6) Credits or GCE 'O' Level - Six (6) Credits including English Language and Mathematics or Accounting</p> <p>PLUS 'A' Levels: Passes in three (3) subjects, two</p>	

	<p>upon a course for the study of banking;</p> <ul style="list-style-type: none"> ▪ to undertake, supervise and encourage education in all matters relevant to the advancement of knowledge of the principles and practice of banking of persons who are engaged in or likely to be engaged in such practice; ▪ to hold and supervise examinations and award certificates, diplomas, prizes or scholarships, either alone or jointly with other educational or professional bodies; ▪ to prepare and print criteria for the teaching of banking and its application; ▪ to maintain a library, and to publish or to arrange for the publication of a journal relating to banking matters; ▪ to confer, consult, communicate or cooperate with any 	<ul style="list-style-type: none"> ▪ Merchant Bank Ltd ▪ Ghana Commercial Bank Ltd ▪ Guaranty Trust Bank Ltd ▪ HFC Bank (Ghana) Ltd ▪ International Commercial Bank Ltd ▪ Merchant Bank (Ghana) Ltd ▪ Metropolitan & Allied Bank Ltd ▪ National Investment Bank Ltd ▪ Prudential Bank Ltd ▪ SG-SSB Ltd ▪ Stanbic Bank Ltd ▪ Standard Chartered Bank of Ghana Ltd ▪ Standard Trust Bank Ltd ▪ The Trust Bank Ltd ▪ UniBank (Ghana) Ltd ▪ Zenith Bank Ltd ▪ Ghana Association of Bankers 		<p>(2) of which should not be below grade 'D'</p> <p>OR SSS: Passes in three (3) core subjects, including Core Mathematics and core English, plus three (3) passes in the Electives (with an aggregate of not more than 24) from either.</p> <p>i. Business Programme or ii. General Programme (Economics, Government, Science and Mathematics)</p> <p>The ACIB Programme consists of two (2) parts:</p> <p>1. Intermediate with six (6) subjects as follows:</p> <ul style="list-style-type: none"> ▪ Business Communications ▪ Economics in Banking ▪ Principles of Accounting ▪ Principles of Banking Law ▪ Banking Operations & Ethics ▪ Marketing in Banking 	
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	<p>other professional or educational institution, society, association or body with a view to the pursuit of common objects in banking and related subjects and to represent the banking profession both nationally and internationally;</p> <ul style="list-style-type: none"> ▪ to commission, promote, publish, distribute, deal in and sell and to promote the production, publication, distribution and sale of all kinds of books, documents, pamphlets, brochures and other literature on banking and allied subjects; ▪ to maintain close consultation with the government on matters relating to banking and finance. <p>The Institute traces its origins back to 1966.</p>			<p>2. Final with Seven (7) Core subjects as follows:</p> <ul style="list-style-type: none"> ▪ Law Relating to Banking ▪ Practice of Banking I - Law & Practice ▪ Management in Banking ▪ Practice of Banking II – Lending ▪ Finance of International Trade ▪ The Monetary & Financial System ▪ Accountancy ▪ And One (1) elective from the following: <ul style="list-style-type: none"> ▪ Computers & Management Information Systems ▪ Development Banking & Investment ▪ Central Banking ▪ Rural Banking <p>Exemption: Exemption is on subject-to-subject basis upon application.</p> <p>Examination Periods:</p> <p>Examinations are held twice in a year, April and October. Registration for April Examinations is in</p>	
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Benchmarking Details

				February and registration for October examinations is in August.	
Institute of Banking Studies (Kuwait)	<p>Established in 1970, the mission of the Institute is to enhance the ability of the Kuwaiti banks, including their management and staff, to cope effectively with the challenges confronting them. Based on the above mission, the Institute's long-term objectives are enunciated as follows:</p> <ul style="list-style-type: none"> ▪ To up-grade the quality of the Kuwaiti Human Resources employed in the banking sector in particular and the financial sector in general. ▪ To enhance the quality of the decision making process in the Kuwaiti banks in all areas and managerial levels. 	<p>The Institute operates as the central organization for training, education, research and consulting for all the 9 Kuwaiti member banks of the Institute. As such, it enjoys the active collaboration and participation of the member banks in planning and implementing its professional activities. The Institute also attaches great importance to the member banks' views and needs. The 9 member banks of the Institute are:</p> <ul style="list-style-type: none"> ▪ Central Bank of Kuwait ▪ Al Ahli Bank of Kuwait ▪ Burgan Bank ▪ Bank of Kuwait and the Middle East ▪ Commercial Bank of 	<p>Programs offered by the Professional Education Unit during the year:</p> <p>I. Educational Programs: Objective: The Institute administration is keen to boost the feasibility of the educational programs it offers and to increase the number of their users and has, therefore, since 1981 been offering a program which allows Kuwaiti and non-Kuwaiti workers in banking and financial sector to enroll in this program.</p> <p>II. Advanced Educational Programs: Objective: Advanced educational programs have been introduced to meet the wishes of many bankers to study such Advanced programs that qualify</p>	<p>The Professional Education Unit also offers an educational program in Banking and Finance entitled "The Advanced Diploma in Banking", extending over a period of 2 academic years.</p> <p>The Diploma program consists of 16 courses selected by prominent specialists to cover all skills required to master the banking business; namely, <i>banking and finance, accounting, legal and economic aspects of banking, management, quantitative analysis, English language communication, and microcomputer applications.</i></p> <p>Criteria for Admission to the Advanced Diploma Program:</p>	

	<ul style="list-style-type: none"> ▪ To help the banking sector in Kuwait to improve and diversify its services/markets, and to keep abreast of the rapidly developing and changing regional and international banking and financial practices. 	<p>Kuwait</p> <ul style="list-style-type: none"> ▪ Gulf Bank ▪ National Bank of Kuwait ▪ Kuwait Real Estate Bank ▪ Industrial Bank of Kuwait 	<p>them to pursue post-graduate studies in their area of specialization. Enrolment is open for Bankers and non-Bankers.</p> <p>1st Quarter</p> <ul style="list-style-type: none"> ▪ Introduction to Financial Accounting ▪ Managing and Manipulating Financial Data & Information Using PC ▪ Islamic Financial Services ▪ Customers Relationship Management ▪ Human Resource Management - (Advanced) <p>2nd Quarter</p> <ul style="list-style-type: none"> ▪ Credit Analysis ▪ Investment Analysis ▪ Risk Management ▪ Kuwait Stock Exchange ▪ Options (Basic) ▪ Financial Accounting - Intermediate ▪ Trading Rules (Advanced) 	<ul style="list-style-type: none"> ▪ Students seeking admission to the Advanced Diploma in Banking must be currently employed by any of the Kuwaiti Banks. ▪ They should also be graduates of the College of Business Studies or holders of the IBS First Diploma. 	
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			<p>3rd Quarter</p> <ul style="list-style-type: none"> ▪ Selling Financial Services ▪ Financial Accounting ▪ Islamic Financial Services ▪ Financial Statement Analysis ▪ Auditing ▪ Human Resource Management – (Advanced) <p>4th Quarter</p> <ul style="list-style-type: none"> ▪ Managing and Manipulating Financial Data & Information Using PC ▪ Investment Analysis ▪ Credit Analysis ▪ Decision Making and Problem Solving ▪ Exchange Rate Forecasting (Techniques & Applications) – (Advanced) ▪ Financial Accounting – Advanced <p>Current Enrolment: (for the 1st quarter) 100 participants.</p>		
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			<p>Duration: 45 hours for each program over a period of (7.5) weeks (twice weekly in the evening of three hours each lecture, from 5:00 – 8:00 plus 2 hours for the final exam)</p> <p>Training in Banking and Finance:</p> <p>IBS conducts a variety of carefully designed training programs. Each year, the IBS Training Unit offers around 60 training programs, especially selected and designed in liaison with member banks, to cover almost all facets of the banking business categorized under the following subject areas:</p> <ul style="list-style-type: none"> ▪ Audit ▪ Banking Laws ▪ Banking Operations ▪ Credit Administration and Management ▪ Treasury & Investment ▪ Information Technology ▪ Management & Self Development 		
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Benchmarking Details

			<ul style="list-style-type: none"> ▪ Marketing & Business Development 		
The Institute of Bankers Pakistan	<p>The Institute of Bankers Pakistan (IBP) was established in 1951 to institutionalize the process of developing a cadre of banking and financial services professionals and to groom them on continuous basis.</p> <p>Vision:</p> <p>To be the premier financial sector knowledge institute of international standard and repute</p> <p>Mission:</p> <p>To train and develop a sound human resource base for the financial sector and to work for continuous learning, adaptation and application of knowledge</p>	<p>IBP is an ISO–9001-2000 Certified Organization.</p> <p>Stakeholders include:</p> <ul style="list-style-type: none"> ▪ Institutional Members: State Bank of Pakistan (Central Bank), SBP Banking Services Corporation, Commercial Banks, Development Financial Institutions (DFIs) Specialized Institutions, Leasing and other Non-Banking Finance Institution (NBFIs) are Institutional Members and owners of the Institute. In all there are fifty (50) institutional members covering almost 100% banking organizations. Institutional members own and manage the operation through 	<p>Training & Development – Sample Programmes</p> <ul style="list-style-type: none"> ▪ Post Induction Training ▪ Need based Customized Training ▪ Scheduled Training ▪ Effective Branch Management & other Certificate Courses ▪ Certificate Classes ▪ On-Site Training ▪ Overseas Training ▪ Training by International Speakers ▪ Training in Soft Skills and IT 	<p>IBP Superior Qualification (ISQ)</p> <p>Since its inception, IBP has offered prestigious banking qualifications in line with those offered by other international banking institutes. However, critical difference is IBP's continuous review, updating and improvement in line with the needs and expectations of its stakeholders. The existing format of IBP Superior Qualification is unique as this provides a continuous route of professional development.</p> <p>ISQ Format</p> <p>Junior Associateship of IBP (JAIBP)</p> <p>Stage I</p> <ul style="list-style-type: none"> ▪ Business Communication for Financial Services ▪ Laws relating to Financial Services 	<p>IBP is owned and managed by its stakeholders.</p>

		<p>Annual General Meeting and a high powered Council.</p> <ul style="list-style-type: none"> ▪ Honorary Fellows of the Institute: In recognition to the professional achievements and leadership role in the banking, IBP Council awarded Honorary Fellowship to 354 professionals. They represent the large number of banking professionals in the ownership and management of IBP. ▪ Honorary Associates: The Council of the Institute in recognition of valuable services rendered to the profession, awarded Honorary Associateship to 607 professionals. ▪ Diplomaed Associates of IBP (DAIBP): In aggregate terms 		<ul style="list-style-type: none"> ▪ Accounting for Financial Services ▪ Macro Economics and Financial System of Pakistan <p>Stage II</p> <ul style="list-style-type: none"> ▪ Information Technology in Financial Services ▪ Lending Operations and Risk Management ▪ Human Resource Management – Basic Practices ▪ Marketing of Financial Services <p>Stage III</p> <ul style="list-style-type: none"> ▪ Monetary Economics ▪ International Trade Financing & Forex Operations ▪ Management Accounting for Financial Services <p>Specialization Subjects (any one subject to be selected):</p> <ul style="list-style-type: none"> ▪ Leasing and Micro Finance ▪ SMEs and Agricultural Finance ▪ Islamic Banking and Finance 	
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		<p>7,599 professionals have passed the requisite examination for the award of prestigious DAIBP.</p> <ul style="list-style-type: none"> ▪ Junior Associateship of IBP: DAIBP is now transformed into high value JAIBP. First examination was conducted in summer 2006 and 60 professionals have passed the requisite examination under new format for the award of JAIBP. In aggregate term 7,659 professionals have passed the requisite examination under DAIBP/JAIBP. 		<ul style="list-style-type: none"> ▪ Retail and Consumer Banking Operations <p>Associateship of IBP (AIBP)</p> <p>The Associateship of IBP (AIBP) will be awarded to those who:</p> <ul style="list-style-type: none"> ▪ Have completed the examination process and have qualified for DAIBP (Stage-I, II & III) or (DAIBP {Part-I & II} plus Special Certificate or JAIBP). ▪ Have acquired minimum 3 years experience in the financial services sector after completing DAIBP/JAIBP. Those who have cleared DAIBP on or before winter 2003 are eligible for winter 2006 examination. ▪ Have a record of Continual Professional Development (CPD) 	
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Benchmarking Details

				<p>during last 3 years through receiving or imparting training or other knowledge related activities. A minimum of 20 hours CPD per year is mandatory.</p> <ul style="list-style-type: none"> ▪ Have completed 5 additional courses as mentioned below: <p>Core subjects:</p> <ul style="list-style-type: none"> ▪ Anti-Money Laundering Measures and Business Ethics ▪ Corporate and Banking Law ▪ Advance Risk Management ▪ Financial Planning and Budgeting <p>Specialization subjects (any one subject to be selected):</p> <ul style="list-style-type: none"> ▪ Financial Derivatives ▪ Project Financing ▪ Capital Markets ▪ Strategic Human Resource Management ▪ An Introduction to Insurance 	
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Benchmarking Details

				<p>Those who pass the five subjects and meet all the above mentioned requirements will be awarded Associateship by the Council of the Institute.</p> <p>Fellowship of IBP (FIBP)</p> <p>Prestigious Fellowship of the Institute of Bankers Pakistan (FIBP) will be awarded by the Council to those high class professionals who:</p> <ul style="list-style-type: none"> ▪ Have earned Associateship of IBP (AIBP) through IBP Superior Qualification (ISQ). ▪ Possess minimum 5 years experience after completion of Associateship with year-to-year record of continual professional development through imparting or receiving training. ▪ Passed the following two core subjects, submitted 	
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				<p>Dissertation on a topic to be approved by the IBP Academic Board and defend the dissertation in the viva voce:</p> <p>Core Subjects:</p> <ul style="list-style-type: none"> ▪ Strategic Management in Financial Institutions ▪ Risk Management Systems and Operations ▪ Defend their Dissertation through presentation & Viva Voce. ▪ Have at least 2 articles published in the prestigious local or international journals. <p>The redesigned curriculum is need focused and geared towards applied aspects. Annually, two examinations are held at 25 local and up to 5 international centres, in which nearly 8,000 candidates appear and test their knowledge on a common yardstick. In</p>	
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Benchmarking Details

				<p>order to facilitate these candidates in their preparation for this prestigious examination, coaching classes are offered at all the main centres. Focused books, handbook, study pack and other material are published and made available on regular basis. Most of the examinees like to study at their own pace, schedule and methodology and therefore opt for the self study mode. IBP Superior Qualification (ISQ) is a rigorous knowledge plan where the expectations are high and there is no room for complacency.</p>	
<p>The Institute of Bankers in South Africa (IOB)</p>	<p>The Institute of Bankers in South Africa which was founded in Cape Town in 1904 has always seen as its main objective the promotion of efficiency through education in the financial services industry in general and its members in particular.</p> <p>The Institute of Bankers</p>	<p>Ordinary Members</p> <ul style="list-style-type: none"> ▪ Ordinary membership is open to everybody. Application for membership must be made to the Institute. ▪ A Student is an Ordinary Member who is studying towards and is registered to write 		<p>Internationally recognized degree, conferred jointly by the Institute and UNISA</p> <p>The revised IOB curriculum has been structured in such a way to eliminate duplication between the CAIB (Certificated Associate of the Institute of Bankers) component and the</p>	

	<p>in South Africa is part of a world-wide association which meet biennially and through which it keeps abreast of the latest international trends. This association also ensures that people sitting the Institute's exams will have their qualifications recognized internationally. It is a founding member of the Alliance of African Institutes of Bankers – an Alliance committed to ensuring high standards of education through shared resources.</p> <p>Other affiliation:</p> <p>University of South Africa (UNISA)</p> <p>Vision:</p> <p>To be the leading professional body for the financial services sector in South and southern Africa. We will address the entire spectrum of education from formal academic programmes to career orientated training skills programmes.</p>	<p>any of the Institutes qualification exams.</p> <p>Honorary Members</p> <ul style="list-style-type: none"> ▪ Honorary life membership will be granted to persons who have retired and who have been members of the Institute for an unbroken period of at least 15 years. Honorary life members do not pay subscription fees. <p>Fellowship</p> <p>Fellowship of the Institute is awarded very selectively and reflects a professional and senior status. The following conditions need to be met in order for members to be nominated for Fellowship:</p> <ul style="list-style-type: none"> ▪ Three year membership of the Institute which must be current at the time of nomination. ▪ Holder of the CAIB(SA) qualification. ▪ Seven years in a managerial capacity 		<p>BBanking component offered at UNISA</p> <p>Certificate – Banking Generic Core:</p> <ul style="list-style-type: none"> ▪ Business Accounting ▪ Business Management ▪ Introduction to Economics <p>Specialist Core:</p> <ul style="list-style-type: none"> ▪ Banking ▪ Basic Principles of Law <p>Electives (select one):</p> <ul style="list-style-type: none"> ▪ Business Communication ▪ Fundamentals of Business Statistics ▪ Customer Service ▪ Money Laundering <p>Certificate – Banking Services Advice Generic Core:</p> <ul style="list-style-type: none"> ▪ Economic Fundamental relative to investment environment ▪ Delivering a personal financial advisory service ▪ Fundamental principles of basic 	
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	<p>Mission:</p> <p>To be the centre of excellence and the provider of choice in the theory and practice of financial services in southern Africa – thereby enhancing the development of skilled professionals through appropriate, registered qualifications.</p>	<ul style="list-style-type: none"> ▪ The nomination must be sponsored by two Associates or two Fellows of the Institute (not retired) ▪ Non CAIB(SA) holders are also eligible for election subject to the under mentioned conditions: <ul style="list-style-type: none"> ▪ 15 years membership of the Institute. ▪ Holder of another professional qualification. ▪ Seven years in a managerial capacity ▪ Nominations are submitted to Council for their consideration. Fellows are expected to play an active role in supporting the Institute. <p>Certified Associates</p> <ul style="list-style-type: none"> ▪ Those members of the Institute who have completed the examinations for the Diploma of the Institute as prescribed by the 		<ul style="list-style-type: none"> ▪ accounting and insurance ▪ Legislative banking and insurance environment ▪ Business Principles ▪ Financial Banking & Insurance Concepts <p>Electives (select one): Category 1 of the Fit and Proper Regulation:</p> <ul style="list-style-type: none"> ▪ Long-term Insurance (category A) ▪ Short-term Insurance Personal Loans ▪ Long-term Insurance (category B) ▪ Retail pension benefits ▪ Pension fund benefits ▪ Securities & Instruments as per the definition of "financial products" section 1(1) of FAIS Act ▪ Participatory interests in one or more collective investment scheme ▪ Deposits as defined in Section 1(1) of the Banks Act 1990 	
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		<p>Council. The recognized abbreviation of this qualification shall be C.A.I.B (SA);</p> <p>ASSOCIATES, who shall be members elected by the Council by reason of –</p> <p>– their holding the diploma of another Institute of Bankers recognized by the Institute; or</p> <p>Their official position in a banking or financial institution on a list maintained from time to time by the Institute;</p> <p>LARGE BANKS, which shall be approved by the Council from those banking institutions, registered as such in South Africa, which satisfy the Council that they employ more than 10,000 members of staff and which apply to become members;</p> <p>OTHER BANKS, which shall be the South African Reserve Bank and other banks approved by the Council from banking institutions,</p>		<p>of a term exceeding 12 months</p> <ul style="list-style-type: none"> ▪ Deposits as defined in Section 1 (1) of the Banks Act 1990 of a term of 12 months or less ▪ A benefit provided by a friendly society – paragraph (d)(ii) of Section 1(1) of FAIS Act <p>Diploma – Credit Diploma – Marketing Diploma – Treasury & International Banking Diploma – Estate & Trust Diploma – Financial Planning</p> <p>Generic Core:</p> <ul style="list-style-type: none"> ▪ Economic Environment ▪ Business Accounting & Taxation <p>Specialist Core: Financial Concepts A:</p> <ul style="list-style-type: none"> ▪ Legal Aspects of Banking ▪ Credit Risk Assessment 1 ▪ Principles of Marketing ▪ Marketing Mix <p>Financial Concepts B:</p> <ul style="list-style-type: none"> ▪ Financial Markets 1 	
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Benchmarking Details

		<p>other than Large Banks but including foreign-owned banks, registered as banking institutions in South Africa and which apply to become members.</p>		<ul style="list-style-type: none"> ▪ Treasury Management 1 ▪ International Trade Finance ▪ Trustee Law ▪ Principles of Investment ▪ Trustee Accounts ▪ Financial Planning – Practice ▪ Financial Planning – Law ▪ Principles of Investment <p>Electives (select one):</p> <ul style="list-style-type: none"> ▪ Credit Risk Assessment 1 ▪ Customer Relationship Management ▪ Principles of Investment ▪ Financial Markets 1 ▪ Consumer Behaviour ▪ Introduction to Business Statistics <p>Advanced Diploma – Credit</p> <p>Advanced Diploma – Marketing</p> <p>Advanced Diploma – Treasury & International Banking</p> <p>Advanced Diploma – Estate & Trust</p>	
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				<p>Advanced Diploma – Financial Planning Advanced Diploma – Property Advanced Diploma – Central Banking Generic Core: <ul style="list-style-type: none"> ▪ Risk Management Specialist Core: <ul style="list-style-type: none"> ▪ Advanced Banking Law ▪ Financial & Management Accounting ▪ Credit Risk Assessment 2 ▪ Finance ▪ Advanced Market Research ▪ Marketing Strategy 1 ▪ Marketing Strategy 2 ▪ Sales & Service management ▪ Financial Economics ▪ Treasury Management 2 ▪ Financial Markets 2 ▪ International Monetary Economics ▪ Investment ▪ Personal Financial Planning ▪ Income Tax 1 </p>	
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Benchmarking Details

				<ul style="list-style-type: none"> ▪ Estate Planning ▪ Corporate Financial Planning ▪ Property Finance – Overview ▪ Property Finance – Law ▪ Funding & Risk Management ▪ Valuations & Economics ▪ Public Debt Management ▪ Domestic Aspects of Central Banking ▪ International Aspects of Central Banking ▪ Monetary Policy of Central Banks ▪ Monetary Policy Regime <p>Electives (select one):</p> <ul style="list-style-type: none"> ▪ Sales & Service Management ▪ International Monetary Economics ▪ Financial Economics ▪ Estate Planning ▪ Corporate Financial Planning ▪ Public Debt Management ▪ Advanced Banking Law 	
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Benchmarking Details

				<ul style="list-style-type: none">▪ Investment▪ Income Tax 1▪ Personal Financial Planning	
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A9 | Specialised Course Outlines (Suggested)

A9 | Specialised Course Outlines (Suggested)

SME Lending

Objectives

Through lecture presentation, open discussion, case studies and practical exercises, this course aims to help participants:

- Be aware of the current households and SME business local and foreign environments.
- Understand the lending process/procedures and best practices.
- Understand household and SME business risk profile.
- Understand the method of detailed analysis of financial statements, including cash flow and the importance of making a sound credit decision.
- Understand the importance of credit monitoring and controls.
- Understand causes of problem loans, be able to identify early warning signs and take remedial actions.

Learning Outcomes

To be developed.

Syllabus

Lending process and procedures: best practices

- Customers and their needs.
- Planning, strategy, and marketing.
- International practices.
- SMEs in local environment: current situation and future development.

Lending procedures

- Business Industry analysis.
- The Porter Model - five market forces.
- Life cycle of a business.
- Business plan.

Lending process: credit appraisal

- Basic model of credit analysis: five Cs and other models.
- Credit information and credit scoring.

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- Management evaluation.
- Working capital and business cycle.
- Financial statements: preparation and analysis.
- Cash flow analysis: statement preparation and analysis.
- Loan structuring and loan pricing.
- Credit appraisal report writing skills.
- Loan agreement: terms and conditions.

Internal procedures

- Customer services.
- Risk management and monitoring.
- Monitoring: What? When? Who?
- Principles, tools and techniques.
- Problem loans: causes, early warning signs and solutions.

Cross-lending

- Experience from banks which succeeded in lending to SMEs.
- Case study examples.

Recommended Readings

To be developed.

Corporate Governance

Objectives

- To convey an understanding of corporate governance and how it is formulated and implemented.
- To develop the perspective required to become effective members of organizational boards of directors.
- To develop your business judgement, your ability to present and defend your opinion, your skills in problem diagnosis, governance analysis and articulation of an implementable governance plan, and your ability to think critically.
- To develop an appreciation of the governance characteristics of companies of various sizes, in various industries, and in various countries.
- To become part of the directorship pool of candidates.

Learning Outcomes

Upon completion of this course, students will be able to complete the following key tasks:

- Learn what good directors need to know to provide good governance.
- Value both shareholder and other stakeholders' rights and responsibilities.

- Adhere to sound principles of directorship and management.
- Understand the significance of board committees, their composition and responsibilities.
- Implement best practices on corporate governance.

Syllabus

- Corporate Control Strategies.
- Corporate Risk Management.
- Corporate Ethics and Management Assurances.
- Internal Control Framework and Control Models.
- Corporate Citizenship and Accountability.
- Corporate Governance.
- Best Practice in Internal Control.
- Corporate Public Policy and Affairs.
- International Issues.
- Corporate Fraud.
- Issues Management and Crisis Management.

Recommended Readings

To be developed.

Loan Management

Objectives

Through lecture presentation, open discussion, case studies and practical exercises, this course aims to help students:

- To reinforce the participants' knowledge of credit and loan operations and procedures.
- To highlight the importance of suitable loan policies.
- To provide an overview of loan administration responsibilities and organization issues; to examine the causes of problem loans and the procedures that can be instituted to management them effectively.
- To strengthen the participants' basic skills in loan monitoring and loan performance measures.

Learning Outcomes

To be developed.

Syllabus

Elements of Loan Administration: Four Aspects.

- Loan Policy.

- Loan Approval Process.
- Loan Monitoring.
- Loan Review.

Loan Pricing and Loan Mathematics

- Time Value of Money Basics.
- Interest Calculations.

Loan Amortization Schedule

- Amortized Loan.
- Ageing, Rescheduling, and Renewals.

Performance Measures

- Collection Performance Measures.
- Portfolio Performance Measures.
- Non-Performing Loans.

Loan Operations Department

- Responsibilities.
- Staffing and Job Performance.

Problem Loan Management

- Workout Situations.
- Recovery Strategies.
- Valuing a Business in Liquidation.
- Selling Assets.

Steps in Problem Loan Administration

- Assigning Responsibility.
- Monitoring Results.
- Charge-Off Administration.

Audit and Controls

- Objectives.
- Types of Systems.

Other Issues in Loan Management

Recommended Readings

To be developed.

Venture Capital and Equity Financing

Objectives

- To understand what venture capital is.
- To follow what venture capitalists do.
- To appreciate the way venture capital organisations work.

Learning Outcomes

At the end of the course student are expected to be able to:

- Understand the Venture Capital Cycle.
- Identify the main factors that influence the fundraising of venture capital funds and partnerships.
- Identify the issues relating to how to make venture capital investments.
- Understand the main issues associated with monitoring investments.
- Understand the methods to exit a venture capital investment.
- Identify the key factors that contribute to the success of an entrepreneurial venture.
- Analyse and critique the management, personnel, marketing and sales plan, production plan and overall performance of an entrepreneurial venture.

Syllabus

Venture fundraising and characteristics of venture capital firms

- Limited partnerships.
- Corporate venture capital.

Characteristics of entrepreneurial ventures at different stages of development

- Seed, Start-up.
- Expansion, Mezzanine.
- Buyout, Turnaround.
- Family-owned firms.

The structure of financial contracts

- Staging, Syndication.
- Forms of finance (debt, convertible debt, preferred equity, convertible preferred equity, common equity, warrants, and combinations of these instruments).
- Board representation.
- Restrictive covenants and confidentiality agreements.
- Legal and institutional barriers to efficient venture capital financial contracting.

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Exiting investments

- Initial Public Offerings (IPOs).
- Mergers / Strategic Acquisitions.
- Secondary Sales, Buybacks, Write-offs.
- Partial exits.
- Legal and institutional barriers to efficient exit strategies.
- Family-Owned Businesses.

Entrepreneurial firm valuation

- Traditional valuation course methods.
- Valuation of bankrupt firms.
- Sensitivity analysis.

Returns

- Determinants of VC and private equity returns.
- Disclosure practices to institutional investors.

Recommended Readings

To be developed.

A10 | Financial Data (000s kwachas)

A10 | Financial Data (000s kwachas)

Table A10.1: ZIBFS Balance Sheet (Prepared by Ernst and Young)

Assets	2004	2005
Cash and Equivalents	20796	42984
Accounts Receivable	64485	102670
Inventory	6799	6291
Prepays (insurance)		
Other Current Assets (Investments)	200000	149941
Current Assets	292080	301886
Gross Fixed Assets	226923	405528
Less: Accum. Depreciation		
Net Fixed Assets	226923	405528
Investments		
Intangibles		
Other Assets		
Total Assets	519003	707414

Table A10.2: Liabilities and Equity

Liabilities and Equity	2004	2005
Short-Term Debt		
Current Portion of Long-Term Debt		
Accounts Payable	197015	182421
Accruals		
Taxes Payable		
Other Current Liabilities		
Current Liabilities	197015	182421
Long-Term Debt		
Other Term Debt		
Total Liabilities	197015	182421
Capital		
Surplus		
Reserves (Revaluation)		161737
Retained Earnings	321988	363256
Total Equity	321988	524993
Total Liabilities and Equity	519003	707414

Table A10.3: ZIBFS Income Statement (Prepared by ZIBFS Accountant)

	Actual		Actual		Budget	
	2004	Percent	2005	Percent	2006	Percent
Income						
Corporate fee	357737	36,69%	382415	30,21%	403478	26,69%
Individual subscriptions	29675	3,04%	39735	3,14%	47000	3,11%
Seminars and courses	108742	11,15%	201110	15,88%	210000	13,89%
Annual ball	44056	4,52%	58500	4,62%	80000	5,29%
Local examinations	279737	28,69%	327352	25,86%	334600	22,13%
National interbank quiz	23000	2,36%	24773	1,96%	40000	2,65%
Degree fees	22750	2,33%	92305	7,29%	238100	15,75%
Exemptions	20880	2,14%	40221	3,18%	30000	1,98%
Magazine	44840	4,60%	55200	4,36%	70400	4,66%
Gain on exchange rate			143	0,01%		
Miscellaneous	9929	1,02%	17858	1,41%	33411	2,21%
Interest receivable	8491	0,87%	20169	1,59%	20000	1,32%
Profit on sale of books	25094	2,57%	6265	0,49%	5000	0,33%
Gross income	974931	100,00%	1266046	100,00%	1511989	100,00%
Expenses						
Interest payable			116	0,01%	200	0,01%
Medical levy	85	0,01%	50	0,00%	500	0,03%
Withholding tax	220	0,02%	65	0,01%	65	0,00%
Loss on exchange rate			7569	0,60%		
Depreciation	40103	4,11%	54581	4,31%	105746	6,99%
Administrative expenses						
Salaries	241106	24,73%	301164	23,79%	320807	21,22%
Gratuity	109899	11,27%	101869	8,05%	127254	8,42%
Uniforms	395	0,04%	772	0,06%	800	0,05%
Local exam expenses	88269	9,05%	107387	8,48%	87614	5,79%
Leave	23316	2,39%	41703	3,29%	38497	2,55%
Property valuation		0,00%	1998	0,16%		
Occupancy costs						
Security	19912	2,04%	20762	1,64%	22680	1,50%
Office repairs and maintenance	19852	2,04%	2620	0,21%	18000	1,19%
Telephone/fax/Internet	44800	4,60%	45743	3,61%	20000	1,32%
Rates	489	0,05%	410	0,03%	750	0,05%
Operational costs						
Office running costs			16689	1,32%	15000	0,99%
Bank charges	2738	0,28%	4076	0,32%	4000	0,26%
Postage			6171	0,49%	10000	0,66%
Seminars and courses	55955	5,74%	117008	9,24%	114000	7,54%
Annual ball expenses	32475	3,33%	52839	4,17%	55000	3,64%
Advertising	7445	0,76%	8960	0,71%	10000	0,66%
Audit fees	26031	2,67%	20000	1,58%	20000	1,32%
Printing	71569	7,34%	81964	6,47%	95200	6,30%

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Financial Data (000 kwachas)

	Actual		Actual		Budget	
	2004	Percent	2005	Percent	2006	Percent
Stationery	21661	2,22%	25195	1,99%	30000	1,98%
Membership to Prof Bodies	4240	0,43%	6886	0,54%	10000	0,66%
Insurance and asset maintenance	1130	0,12%	3097	0,24%	15200	1,01%
Travel expenses - local	5774	0,59%	12297	0,97%	8000	0,53%
Travel expenses - foreign	13403	1,37%	32991	2,61%	25000	1,65%
Vehicle insurance/maintenance	15384	1,58%	10885	0,86%	15000	0,99%
National interbank quiz	5020	0,51%	20673	1,63%	15000	0,99%
Vehicle running costs	15254	1,56%	23646	1,87%	19287	1,28%
Medical allowance	4751	0,49%	5651	0,45%	6000	0,40%
Electricity	777	0,08%	1027	0,08%	1800	0,12%
Water	213	0,02%	224	0,02%	400	0,03%
Staff bonus	7117	0,73%	7850	0,62%	10000	0,66%
Graduation expenses	7150	0,73%	18258	1,44%	35000	2,31%
Staff training	6978	0,72%	10345	0,82%	22040	1,46%
Degree expenses	26517	2,72%	44530	3,52%	162920	10,78%
Computer software maintenance	2100	0,22%	570	0,05%		
Branch expenses	2500	0,26%				
Purchase of study text	27475	2,82%				
	952103	97,66%	1218641	96,26%	1441760	95,36%
Surplus/Deficit	22828	2,34%	47405	3,74%	70229	4,64%