



PAFA UPDATES:

Recent Developments in Accountancy in Africa

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Agenda

- About PAFA
- PAFA's Strategic Objectives
- Developments under each Objective
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- Q & A



About PAFA

The Pan African Federation of Accountants (PAFA) is the continental body representing Africa's Professional Accountants.

PAFA is a non-profit organisation currently with 53 Professional Accountancy Organisations (PAOs) from 43 countries.



About PAFA

Our mission is to accelerate and strengthen the voice and capacity of the Accountancy profession to work in the public interest, facilitate trade, and enhance benefits and quality services to Africa's citizens.



PAFA's Strategic Objectives

1

Building a strong and sustainable PAOs in each African country that contributes to the national professional, economic and social development, and demonstrates compliance with IFAC Statements of Membership Obligations (SMOs).



2

Influencing and facilitating the adoption and, implementation of International Standards and best practice in each member in order to improve the quality of financial and corporate reporting.



3

Facilitating the accountancy profession to contribute in strengthening Public Value Management (PVM) systems in order to achieve fiscal discipline, effective resource allocation and effective service delivery to citizens.



4

Enhancing a common working approach and platforms that facilitate the sharing of knowledge, resources and experiences.



5

Engaging in generating cutting edge knowledge and solutions on future issues that will impact the economy, society and the profession.



Building a bridge to a brighter Africa



1. Strong & Sustainable PAOs

PAFA is a non-profit organisation currently with 53 Professional Accountancy Organisations (PAOs) from 43 countries

Recent admissions:

- The Ordre des Professionnels Comptables du Tchad (OPCT) – full member
- Southern African Institute of Business Associates (SAIBA) - Associate



1. Strong & Sustainable PAOs

- PAFA concluded a training to inspectors at PAOs and independent regulators on Quality Control in April 2018
- On-going support on SMO compliance and capacity building across all PAOs (<https://pafa.org.za/news/pafa-shares-key-learnings-smo-compliance-and-capacity-building-across-africas-paos>)



2. International Standards & Best practise

- Launch of the **Africa Integrated Reporting Committee (AIRC)** - to provide strategic thinking, and promote and support the adoption of integrated thinking and IR in Africa
 - ✓ Adopting integrated thinking and IR will contribute to improving decision making, transparency and accountability especially as to how organizations in the public and private sector are creating value and contributing towards improving lives of citizens – ending poverty and boosting shared prosperity



International Standards & Best practise

PAFA has submitted comment letters on the following:

- Monitoring Group Consultation on Strengthening the Governance and Oversight of the International audit-related standard-setting boards in the public interest;
- IPSASB Proposed Strategy and Work Plan 2019-2023;
- IPSASB Exposure drafts 64, Leases
- IPSASB Exposure drafts 65, Improvements to IPSAS 2018
- IASB ED 2018/01, Accounting policy changes (proposed amendments to IAS 8)

<https://pafa.org.za/technical-excellence/term/46>



3. Public Value Management (PVM)

Operationalization of The African Professionalization Initiative – a collaboration between AFROSAI-E, ESAAG and PAFA to professionalise accounting and auditing in the public sector



Public Value Management

Ongoing assessment of IPSAS implementation in Africa

Accounting Literature suggest:



Study concluded:

For developing countries, perceptions of corruption differ significantly between those that have announced IPSAS adoption and those that have not



Public Value Management

○ PAOs

- ✓ Advocates
- ✓ Trusted advisors to governments
- ✓ Capacity builders

○ Professional Accountants

- ✓ Important links in the financial reporting supply chain
- ✓ Protectors of the public interest





4. Regional Cooperation

- PAFA takes a multi-pronged approach to working with stakeholders at continental, regional and national levels
- PAFA has fully embraced the African Union Agenda 2063. It has committed itself to working with all Pan African organisations towards the realisation of the aspirations of Agenda 2063



Regional Cooperation

- **The African Union** – PAFA has entered into an MOU with the AU in order to get a platform on which it can interact with Governments in Africa.

Proposed Priority areas being:

- ✓ Integrated Thinking and Reporting.
- ✓ Public Value Management.
- ✓ Developing the Accountancy Profession in Fragile States.
- ✓ Remodelling the Accountancy Profession in Francophone Africa.
- ✓ Harmonising Accountancy Training, Practice and Regulation in Africa.



Regional Cooperation

- **Organisation for the Harmonisation of African Business Laws (OHADA)** – This is an organisation that brings together 17 countries (mainly Francophone) in Africa. The organisation has the responsibility of making business laws for the 17 countries. PAFA has signed an MOU with OHADA which allows it to participate in various deliberations



Regional Cooperation

- **African Organization of Public Accounts Committee (AFROPAC)** – Working towards signing an MoU that will:
 - ✓ Foster cooperation at country level between the Professional Accountancy Organisation and the Public Accounts Committee (PAC), to effectively assist members interrogate the Auditor General's report. This will potentially enhance accountability among accounting officers.



5. Thought Leadership

- **African Accounting & Finance Association (AAFA)** – call for research papers initiative which seeks to advance knowledge of accounting and/or financial practices in Africa and via appropriate dissemination, inform and influence policy and IT at national and continental levels.
 - ✓ The Initiative is open to research in emerging trends in accounting and finance practices aimed at advancing academic knowledge and professional practice of accountancy in Africa



Conclusion

“The Africa we want is clearly visible on the horizon and so is the road we will travel together to get there” **H.E President Paul Kagame, Rwanda.**



Building a bridge to a brighter Africa

Thank you...

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