



14 May 2023

PAFA President's Report

Ladies and Gentlemen, I welcome you to the 13th General Assembly of PAFA. We are grateful to OEC-CI for hosting this meeting in Abidjan and you — our member organisations and guests — for your participation. You are PAFA.

I sincerely thank OEC Côte d'Ivoire for their enormous effort to host the 7th edition of the Africa Congress of Accountants (ACOA 2023). Delegates from across the world are gathering on 15 – 16 May 2023 to shape the role of the accountancy profession in The Africa We Want.

The congress theme, *Structural Transformation and Growth of African Economies*, provides an excellent platform to explore why and how accountants must progress to doing different things in order to contribute to economic growth and poverty reduction. World-renowned subject experts will discuss what it would take to do so in an environment of slow structural transformation and a rapidly growing informal sector.

With an estimated 50 percent of economic output and 85 percent of employment in Africa being generated in the informal sector, this sector will be a key consideration in our exchanges. This will also be the case for SMEs — the backbone of the global economy and accounting for 90 percent of all businesses, 70 percent of all employment, and 50 percent of GDP — and the SMPs who accompany them.

Exploring the history and attractions of Côte d'Ivoire is an integral part of the programme. Abidjan — nicknamed “The Manhattan of Africa” or “Little Paris” — will gratify you with the finest Ivorian gastronomy, culture, and local markets.

Each one of you is a champion of change. Let us shape the future of accountancy over the next few days.

Today, it is my pleasure to report on our activities to our member organisations in accordance with the PAFA Constitution, covering the period January to December 2022. It includes the following points:

- I. Implementation of the PAFA strategy in 2022
- II. Audited annual financial statements for 2022
- III. Risk identification and mitigation
- IV. 2022 Stakeholder Satisfaction Survey
- V. PAFA 10-Year Review
- VI. A Call on Professional Accountancy Organisations in Africa

I. Implementation of the PAFA Strategy in 2022

In 2022, we commenced implementation of our [strategic plan for 2022 – 2024](#) under a revised vision and mission.

Vision: Sustainable value creation to benefit the citizens of Africa.

Mission: Strengthening the influence and capacity of the accountancy profession to enhance trade, the quality of services, and trust in institutions.

Our strategic objectives are to:

1. Speak out and engage as the voice of the accountancy profession in Africa
2. Develop a future-fit accountancy profession for Africa
3. Promote the development, adoption, and implementation of the international standards
4. Enhance the quality and mobility of accountancy services in Africa

The economic and societal outcomes of these strategic objectives are linked to the seven Aspirations of the Africa Union's agenda 2063 and the United Nations' sustainable development goals.

In determining the actions to achieve the strategic objectives, we carefully consider our six comparative advantages:

1. Integrated Pan African platform for engagement
2. Influential voice
3. Effective convener
4. Expert advisor
5. Knowledge gateway
6. Trusted intermediary

Achievement of our strategic objectives is monitored through Key Performance Indicators, Measures, and Targets. The Key Performance Indicators and Measures are reviewed annually and—if necessary—modified by the Board. The Key Performance Targets are set annually by the Board.

In 2022, PAFA met the Key Performance Targets set for the 28 Key Performance Measures as follows:

- Exceeded or achieved 71% of the targets [rendering a score of 3.5 out of 5 overall]
- Delayed or postponed 22% of the targets for good reasons
- Did not achieve 7% of the targets

The targets not achieved were due to lack of professional accountancy organisation (PAO) engagement in PAFA events. Approximately 23% of PAOs co-branded PAFA events, while the target was 25%. On average, 20% of PAOs were represented by their members at PAFA events, while the target was 25%. In 2023, the Secretariat will strengthen engagement with PAOs to aid their understanding of the benefits to be derived from PAFA's enhanced service delivery.

Key achievements in 2022 include:

Establishing Mechanisms

- The PAFA Board established several groups to advise the Secretariat, facilitate access to resources, and advocate on behalf of PAFA. They are:
 - The [Accountancy Learning & Development Advisory Group](#), chaired by Professor Rashied Small (SAIPA)
 - The [Corporate Value Reporting Technical Advisory Group](#), chaired by Mr Raymond Chamboko (W Consulting)
 - The [Ethics, Audit & Assurance Technical Advisory Group](#), chaired by Ms Faith Ngwenya (SAIPA)
 - The [Public Value Management Technical Advisory Group](#), chaired by Mr Yacouba Traore (ONECCA Burkina Faso)

Most recently, we also established the [Accountancy Quality Advisory Group](#), chaired by Mr George Mokuu (ICPAK). We took great care to ensure the membership of these groups is representative of the accountancy profession in Africa. On behalf of the PAFA Board, I thank the chairpersons and their members for their time, effort, and commitment to PAFA. And I thank our member organisations for sponsoring their volunteers' participation in these important groups.

- In September 2022 we appointed an Associate – French Liaison to enhance PAFA's communications with and services to our member organisations in French-speaking countries.

Harnessing Stakeholders

- PAFA's relationships with key stakeholders are core to our collective success. The breadth of our work would not be possible without our network; their valuable support and collaboration are often underpinned by Memoranda of Understanding (MOU).
 - In 2022, we renewed our MOU with the African Union Commission and commenced MOU discussions with the Arab Federation of Accountants and Auditors (AFAA).
 - IFAC engaged PAFA to manage PAO development projects in Burkina Faso and Ghana under the [IFAC, GAVI – The Vaccine Alliance, The Global Fund](#) MOU. The total funding for these projects amounts to USD 1 million. The Secretariat worked tirelessly to operationalise the PAFA PAO Development Programme under which these projects are being managed. This included the establishment of an oversight committee.
 - PAFA and the African Accounting & Finance Association (AFAA) launched the [2022-2023 Africa Call for Accounting and Finance Research Initiative \(ACAFRI\)](#) under which PAFA is funding three research projects related to the ACOA 2023 theme, *Structural Transformation and Growth of African Economies*.
 - In close collaboration with OECCA Benin, PAFA facilitated the [relocation to Cotonou, Benin of the French Diplôme d'Expertise Comptable \(DEC\) final examination](#), which is at the PhD level. This is a significant pioneering event for both Africa and France. Previously, African students following the French curriculum had to travel to France to take the DEC. This exposed them to the uncertainty of visas and high cost of travel, in addition to the enormous

intellectual effort required for these examinations and the low pass rate. As African are exempted from visa requirements for their entry and short stays in Benin, this delocalisation offers African students following the French curriculum a great facilitation in completing their training.

- Recognising our limited resources, we harnessed key stakeholder relations to benefit our member organisations. This included:
 - A joint project with ACCA and PwC on the [state of the profession in Africa](#)
 - A joint project with ACCA on the [accountancy profession's role in the Africa Continental Free Trade Area Agreement \(AfCFTA\)](#)
 - Co-hosting the Masterclass for PAO Leadership from French-speaking Countries – Journey to IFAC Membership with FIDEF and IFAC from September 2022 to September 2023
 - Co-hosting the [Quality Management Implementation Workshop Series with SAICA](#)
 - Co-hosting an event on SME and SMP renewal and resilience with the Edinburgh Group and FCM
 - Co-hosting the Trust in Tax Roundtable with IFAC
- PAFA joined the International Sustainability Standards Board Partnership Framework, [announced in November at COP 27](#) to support capacity building in sustainability reporting in Africa.
- We continue to participate at all levels of the [African Professionalisation Initiative \(API\)](#) (including the [Project Steering Group](#), [Academic Advisory Committee](#), and [Interim Oversight Board](#)). The API commenced implementation of their constitution and bylaws, which were endorsed by the PAFA Board in 2021 and are intended to establish the API as an independent organisation. Zimbabwe is the first country to have signed an MOU to implement the API programmes. Three countries are finalising their MOUs, four countries are at stakeholder engagement stage, and eight countries have expressed interested in implementing the API programmes.

Enhancing Our Brand

- We continue to enhance PAFA's brand recognition. We grew our presence on [LinkedIn](#) from 1 900 to 3 200—representing a 68.5% growth in followers; enhanced our communications with Member Organisations; and represented PAFA on various platforms. We also launched a new [PAFA website](#). From June to December, the new website received almost 5 000 visits.
- In addition, PAFA's leadership and staff engaged with representatives of various institutions to create awareness of our mission and identify opportunities for collaboration or coordination. These institutions include:
 - PAOs in in Algeria, Angola, Burkina Faso, Côte d'Ivoire, Ghana, Liberia, Malawi, Mauritius, Nigeria, South Africa, Tanzania, Uganda, and Zimbabwe.

- Affiliates, MOU partners, and international accountancy organisations, including AAFA, AAT UK, ACCA, AFROPAC, African Union Commission, Caseware, ICAEW, and ICAI.
 - Accountancy groupings, including ABWA, Arab Federation of Accountants and Auditors, ASEAN Federation of Accountants, Confederation of Asian and Pacific Accountants, Edinburgh Group, FIDEF, and Inter-American Accounting Association.
 - Economic groupings, including ECOWAS and OHADA.
 - Development partners, including AfDB, Gavi – The Vaccine Alliance, GIZ, The Global Fund, USAID, and World Bank.
- As the regional organisation for Africa and IFAC Network Partner, we also attended meetings of the IFAC Council, Board, and other IFAC groups relevant to achieving our strategic objectives.
 - With the support of the PAOs in Zimbabwe, we held our first [Social Corporate Responsibility event in Victoria Falls](#). The Board visited and made donations to a children’s home, Rose of Charity, and the Mosi-oa-Tunya High School’s department of commercial subjects. We followed this up with a call on all participants in the Africa Accountancy Day held in Mumbai, India on 17 November to support young underprivileged women interested in taking the ATSWA examination in Liberia. In lieu of presenters’ gifts, PAFA made a small contribution to LICPA for this purpose.

Strengthening the Capacity of the Accountancy Profession

- In addition to the PAO development projects in Burkina Faso and Ghana, the Secretariat continues to engage with PAOs that are not yet members of PAFA (including PAOs in Algeria, Egypt, Mauritania, and Somalia), Member Organisations that have development needs, and Member Organisations on their journey to IFAC associate or full membership status (including PAOs in Algeria, Angola, Cape Verde, Namibia, South Africa). We congratulate ONECCA Burkina Faso in becoming an IFAC Member and ONECCA Mali in becoming an IFAC Associate in 2022.
- We are particularly eager to establish a formal PAO-to-PAO partnership programme for Africa. We are aware that ICAN, ICPAK, ICPAU, SAICA, and SAIPA already support developing PAOs on the continent. I encourage you to contact the Secretariat if you are supporting or are interested in supporting a developing PAO on the continent.
- Last year we reported that the World Bank has engaged PAFA to manage the implementation of the Accounting Technician Qualification (ATQ) for Africa in three pilot countries. Development of the ATQ for Africa by consultants engaged by the World Bank progressed significantly in 2022. PAFA is awaiting the formal agreement from the World Bank to commence implementation of the pilot programme. In the interim, we are consulting with ABWA to determine how PAFA can benefit from their experience with the Accounting Technicians Scheme West Africa (ATSWA) in implementing the pilot programme.
- PAFA commends IFAC for recognising that accounting technicians are part of the global accountancy profession, working across all sectors in essential financial management roles. Their publication, [The Role Accounting Technicians Can Play in the Global Accountancy Ecosystem](#) will support PAFA’s efforts to promote this important qualification in Africa.

- The role of the accountancy profession in the AfCFTA is a new initiative for PAFA. In addition to the report published with ACCA, PAFA held a knowledge sharing event in collaboration with the AfCFTA Secretariat.

Strengthening the Influence of the Accountancy Profession

- PAFA has taken steps to amplify Africa's voice in international standard-setting:
 - The Secretariat holds relations with the staff of and Africa representatives on the international standard-setting boards, including the new International Sustainability Standards Board. The Secretariat continues to promote calls for nominations and support applications for membership of the international standard-setting boards.
 - We also hold seats on the Accounting Standards Advisory Forum and the new Sustainability Standards Advisory Forum.
 - PAFA representatives participated in national and international platforms, including the AAFA Annual Conference, ESG Exchange Advisory and Technical Committees, IFR4NPO Technical Advisory Group, International Forum of Accounting Standards Setters, IPSASB National Standard Setters Forum, UNCTAD ISAR Workshop and Conference, and World Standard Setters Conference.
 - PAFA responded to six public consultations issued by the international standard-setting boards.
 - PAFA events contributed to the development, adoption, and implementation of the international standards, including the IASB Primary Financial Statements Project Roundtable, IFRS for SMEs Webinar, PAO Leadership Forum, IESBA Public Interest Entities Webinar, and Sustainability Week. The 3rd PFM Conference for French-Speaking Countries in Africa: PFM Reforms, The Francophone Agenda rendered [specific actions to be taken by a range of stakeholders, including PAOs, to accelerate the reforms](#). To help PAOs to strengthen relations with key public sector decision-makers, PAFA developed a PAO Public Sector Stakeholder Engagement Framework, which was discussed during a PFM event held alongside the CN-ONEC Algeria annual conference.

In our quest to strengthen the Pan African nature of our organisation, PAFA offered many of our events and communications in multiple languages.

I commend the PAFA Secretariat and all volunteers for these achievements, which were attained in a mostly remote working environment and with limited resources as reflected in the audited financial statements for the year ended 31 December 2022, which are included amongst the agenda items for the Annual General Meeting.

II. Audited Annual Financial Statements for 2022

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the PAFA Constitution and Bylaws and the South African Non-Profit Organisations Act 71 of 1997.

PAFA recorded a surplus of USD 190,986 in 2022, while in 2021 it recorded a small deficit of USD 16,070. Revenue increased by 36% from USD 961,319 in the prior year to USD 1,310,128 for the year ended 31 December 2022. This is mainly attributable to an increase in membership subscriptions due to growth in Member Organisation membership, which is used as basis for assessing subscriptions. A 5% discount on membership subscriptions was approved by the Board to provide financial relief to Member Organisations from the lingering implications of the COVID-19 pandemic. Furthermore, the pandemic continued to affect some Member Organisations' ability to pay their annual subscriptions, even after the discount.

Operating expenses increased by less than 1% from USD 976,228 in the prior year to USD 983,623 for the year ended 31 December 2022.

Cash flow generated from operating activities decreased from USD 65,832 positive in the prior year to USD 132,432 negative in 2022, mainly due to the significant increase in trade receivables and expected credit loss.

We appreciate the financial contributions of all our member organisations and stakeholders during 2022.

III. Risk Identification and Mitigation

In 2022, we identified the following:

Key Strategic Risks

- Low recognition or influence as the voice of the accountancy profession in Africa.
- Low recognition as the partner of choice relating to matters relevant to the accountancy profession in Africa.
- Low ability to identify, prioritise, or render services to meet the diverse demands of our member organisations and other key stakeholders.

Key Operational Risks

- Insufficient funding for financial sustainability.
- Weak capacity to establish and maintain fit-for-future people, processes, and systems to support a relevant and sustainable organisation.
- Weak capacity to attract and retain diverse and highly qualified volunteers as part of the governance structures and mechanisms supporting the implementation of the strategy.

Identified risks have been mapped to strategic actions and – during 2022 – we continued to monitor the extent to which those actions mitigated the risks over time.

Risk mitigation was negatively affected by the delay in finalising the PAFA 10-Year Review and the PAFA Stakeholder Engagement Plan; effect of world events (e.g., COVID-19, war in Ukraine) on PAOs and their ability to pay PAFA membership subscriptions; lack of resources to deliver against some of our plans; and lack of firms' readiness to implement the new International Standards on Quality Management coupled with the lack of PAO resources to maintain effective quality review and investigation & discipline systems.

Risk mitigation was positively affected by development partners' renewed trust in PAFA; renewal of the PAFA – African Union Commission MOU; increased service delivery to PAOs in French-speaking countries; and the implementation of a new organisational structure, including the appointment of the Director – Effective PAOs.

IV. 2022 Stakeholder Satisfaction Survey

77% of Member Organisations responded to the 2022 Stakeholder Satisfaction Survey (target: 75%). We are pleased with the increase on the 66% response rate in 2021 and encourage all Member Organisations to respond in the future. Your voice matters and is essential in guiding our value proposition and service delivery to you.

According to the survey, 86% (2021: 68%) of respondents believe PAFA's brand is recognised to a very great or great extent at the international level, while 77% (2021: 74%) believe this to be the case at the regional level and 40% (2021: 58%) at the national level.

We asked respondents about their awareness, the relevance, and quality of PAFA's activities. They responded as follows:

Activities	PAOs aware to a very great or great extent	Relevant to PAOs to a very great or great extent	Quality of Activities
To enhance the effectiveness of PAOs	84%	64%	3,9 out of 5
To advance accountancy learning and development	80%	69%	4,0 out of 5
To support the development, adoption, and implementation of the international standards	73%	68%	3,8 out of 5
To advance sustainability reporting and assurance	70%	65%	3,7 out of 5
To advance audit quality	72%	77%	3,9 out of 5
To learn more about the AfCFTA and the implications for the accountancy profession	44%	53%	3,4 out of 5
To enhance public sector governance, transparency, and accountability	53%	60%	3,7 out of 5

Overall, stakeholders rated staff performance higher in 2022. 84% (2021: 77%) of respondents were very greatly or greatly satisfied with the Team's knowledge of the subject matter for which they are responsible, 86% (2021: 74%) with the quality of the Team's work, and 91% (2021: 71%) with the Team's ability to organise events. Stakeholder engagement was somewhat lower, with 79% (2021: 81%) of respondents very greatly or greatly satisfied with the Team's responsiveness to their inquiries and 67% (2021: 71%) with the quality of the Team's engagement with their organisations.

81% of respondents indicated that PAFA advocated effectively on behalf of the accountancy profession to a very great or great extent.

Asked about the level of satisfaction with PAFA's service delivery, 83% of respondents indicated to a very great or great extent, 12% to a moderate extent, and 5% to a small extent. Asked about the level of value

derived for their PAFA membership subscriptions, 63% (2021: 50%) of respondents indicated to a very great or great extent, 29% (2021: 32%) to a moderate extent, and 7% (2021: 19%) to a small extent.

V. PAFA 10-Year Review

PAFA's 10th anniversary in 2021 provided a unique opportunity to harness the successes and learnings of the past decade to shape the next decade. The PAFA 10-Year Review has three dimensions—governance, strategy, and structure. Key areas being explored as part of this review include:

- A PAFA that creates long-term value as an entity and through our member organisations and their individual members—an influencer and trailblazer that contributes to the UN SDGs and AU Agenda 2063
- The ideal governance structure for PAFA—that is, as a lever for value creation
- A membership structure that promotes enterprise/public value creation, management, reporting and assurance

In 2021, we revised our vision and mission and developed a new strategy, In 2022, we implemented a new organisational structure and continued to develop recommendations relating to governance and membership. These are complex matters, and we are taking the time necessary to develop recommendations that are sensitive to the nature of PAFA and our membership. Any proposed changes to the PAFA Constitution or Bylaws will be given careful attention and be subjected to extensive consultation.

VI. A Call on Professional Accountancy Organisations in Africa

Professional accountants have both a public interest responsibility and a transformative opportunity to lead change. Nevertheless, as said by Kevin Dancey, CEO of IFAC, ... if we don't rise quickly to the occasion, demonstrate our competencies, and seize this significant opportunity, someone else will".¹

In December, PAFA issued a [call on PAOs in Africa](#) to adopt strategies that support professional accountants for people, planet, and prosperity.

The call highlights five areas of focus that PAOs should consider in developing their future strategies to support the development of future-fit professional accountants for Africa. They are:

1. Sustainability reporting and assurance
2. Governance, transparency, and accountability in the public sector
3. Anti- corruption and the fight against economic crime
4. Quality of accountancy services
5. Mobility of accountancy services under the AfCFTA

Leading Sustainability Reporting and Assurance

To contribute to strong and sustainable organisations, financial markets, and economies and, ultimately, enabling the Africa Union's agenda 2063 and the United Nation's sustainable development goals, the

¹ [Corporate and Sustainability Reporting – A Look Ahead](#)

accountancy profession must lead on environmental, social and governance (ESG) reporting and assurance.

Strengthening Governance, Transparency, and Accountability in the Public Sector

The accountancy profession must play a more significant role in influencing public policy and serve as trusted advisors to governments on socioeconomic development initiatives, including the adoption and implementation of accrual based IPSAS. To give effect to this, the accountancy profession must accelerate the professionalisation of the public sector. The API offers a sustainable economic, efficient, and effective solution to PAOs.

Fighting Corruption and Economic Crime

Corruption and related economic crime, such as money laundering, bribery, tax evasion, and fraud, are significant obstacles to economic growth and human development and, ultimately, realising the African Union's agenda 2063 and the United Nations' sustainable development goals.

Improving the Quality of Accountancy Services

The bar for accountancy quality management has been raised significantly. Three new international standards aim to strengthen and modernise quality monitoring in an evolving and increasingly complex accountancy ecosystem. Furthermore, country-level quality review and investigation & disciplinary systems are key to ensuring quality accountancy services critical for enhancing confidence in business, trust in government, foreign direct investment, and the effective use of development assistance.

Realising Africa's Growth Objectives Through the AfCFTA

PAOs and their members must identify and action key priorities for transforming the accountancy profession in the context of the African Union's agenda 2063. This includes realising Africa's growth objectives under the AfCFTA. The profession must harness its strengths and develop its capacity to play a much-needed role in enabling intra-continental trade, leveraging the AfCFTA.

PAFA calls on PAO leadership to include the five areas of focus in their strategies for 2023 and beyond. The recommendations contained in the Call will assist PAOs to move from commitment to action.

PAFA is uniquely positioned to harness our comparative advantages to PAOs in implementing strategies that support future-fit professional accountants. I encourage you to review [PAFA's plans](#), join our [advisory groups](#) and follow us on [LinkedIn](#) to stay abreast of initiatives that harness the economies of scale of continental solutions to support PAOs.

Acknowledgements

In addition to the joint projects and initiatives mentioned earlier, we recognise the following organisations for their in-kind or financial support:

Members

- SAICA: Hosting the PAFA Secretariat free of charge from inception in 2011 until 31 August 2022
- SAIPA: Hosting the PAFA Secretariat free of charge from 1 September 2022 and outsourcing of the PAFA Finance Function and ICT Function
- ICPAU: Sponsorship of 29-30 March PAFA Board dinner

- CN-ONEC Algeria: Sponsorship of 13-14 December PAFA Board dinner

Affiliates

- ICAI: Sponsorship of PAFA Africa Accountancy Day and dinner in Mumbai, India in November 2022

Donors

- The Global Fund: Sponsorship for the 3rd PFM conference for French-speaking countries in Africa (Euro 15,000)

Conclusion

Finally, let me take this opportunity to thank the Board members and the Secretariat for their support and commitment in our quest to build the accountancy profession in Africa.

I thank all our members, associates, affiliates, observers, volunteers, and other stakeholders for their continued support of PAFA and our activities. Together, we are working towards The Africa We Want — an integrated, prosperous and peaceful Africa, driven by its citizens and representing a dynamic force in the international arena.

Long live our global involvement with PAFA through IFAC;

Long live the accountancy profession in Africa;

Long live PAFA.

Ladies and gentlemen, thank you for your kind attention.