



27 June 2024

## PAFA President's Report

Dear Esteemed Members of the General Assembly, Honoured Guests, and Colleagues,

It is with great pride and gratitude that I present to you the 2023 President's Report of the Pan African Federation of Accountants (PAFA). This year's Annual General Meeting, graciously hosted by the Mauritius Institute of Professional Accountants (MIPA), marks a milestone in our journey towards excellence, collaboration and innovation in the accountancy profession across the continent.

As we gather in the vibrant and welcoming surroundings of Mauritius, we reflect on the remarkable progress we have made over the past year. Our shared commitment to advancing the profession, fostering ethical standards, and promoting sustainable economic growth has yielded tangible results, demonstrating the power of unity and collective action.

In this report, I highlight the key achievements and initiatives undertaken by PAFA in 2023, showcasing our pursuit of excellence and our dedication to the principles that underpin our profession. From strengthening professional accountancy organisations (PAOs) and building capacity to enhancing public trust and stakeholder engagement, our endeavours have been guided by a clear vision of creating a robust and resilient accountancy profession in Africa.

I extend my heartfelt appreciation to all our member organisations, partners, and stakeholders for their support and contributions. Together, we have navigated challenges, embraced opportunities and forged a path towards a brighter future.

It is my pleasure to present this report to you in accordance with the PAFA Constitution, covering our activities from **1 January to 31 December 2023**. The report addresses the following key points:

- I. Organisational performance in 2023
- II. Financial performance in 2023
- III. Risk identification and mitigation
- IV. 2023 Stakeholder Satisfaction Survey
- V. PAFA Ten-Year Review
- VI. Africa Congress of Accountants

## I. Organisational Performance in 2023

In 2023, we continued to implement our [Strategy for 2022 – 2024](#) under the 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 Agenda 2063 and United Nations Sustainable Development Goals.

To achieve these strategic objectives, we leverage 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

We monitor the achievement of our strategic objectives through Key Performance Indicators (KPIs), Measures and Targets. The KPIs and Measures are reviewed annually and, if necessary, modified by the Board. The Key Performance Targets are set annually by the Board.

In 2023, PAFA met the Key Performance Targets set for the 28 Key Performance Measures as follows:

- Exceeded or achieved 70% (2022: 71%)
- Delayed 7% (2022: 11%)
- Postponed 3% (2022: 11%)
- Did not achieve 20% (2022: 7%)

The Board agreed on an overall performance rating of 4 out of 5. This rating reflects the understanding that delays, postponements or unmet Key Performance Targets were often due to factors beyond the Secretariat's control. It also acknowledges the Secretariat's commitment and dedication to achieving the strategic objectives.

Key achievements in 2023 include:

### *Leveraging Volunteers*

We leveraged the invaluable expertise and experience of volunteers serving on various PAFA Advisory Groups. These dedicated professionals provided crucial guidance on our initiatives, facilitated access to essential resources and championed PAFA's mission. Their contributions have been instrumental in ensuring the success of our activities. Without their support, the achievements noted in this report would not have been possible. The Advisory Groups include:

- The [Accountancy Learning & Development Advisory Group](#), chaired by Professor Rashied Small (South African Institute of Professional Accountants – SAIPA)
- The [Accountancy Quality Advisory Group](#), chaired by FCPA George Mokuu (Institute of Certified Public Accountants of Kenya – ICPAK)
- 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 (Ordre National des Experts Comptables et des Comptables Agréés du Burkina Faso – ONECCA-BF)

In 2024, the Board will review the chairmanship and membership of these groups to ensure that they continue to reflect the diverse and evolving landscape of the accountancy profession in Africa.

On behalf of the Board, I extend our deepest gratitude to the chairpersons and members of the PAFA Advisory Groups for their invaluable time, effort and commitment to PAFA. Your dedication has been instrumental in driving our initiatives forward. Additionally, I would like to thank our member organisations for generously sponsoring their volunteers' participation in these essential groups, enabling us to benefit from their expertise and support.

### *Harnessing Stakeholders*

PAFA's relationships with key stakeholders are fundamental to our collective success. The extensive scope of our work is made possible by our robust network, whose invaluable support and collaboration are often formalised through Memoranda of Understanding (MOUs). These partnerships are critical in advancing our mission and achieving our strategic objectives.

- **African Union Commission Support:** Secured support and funding from the African Union Commission for the January 2024 Roundtable of Key Stakeholders in the Accountancy Ecosystem, underscoring our commitment to fostering high-level engagement and collaboration.
- **Development Projects in Burkina Faso and Ghana:** Under the [International Federation of Accountants \(IFAC\)](#), [GAVI – The Vaccine Alliance](#), [The Global Fund MOU](#), continued to manage PAO development projects in Burkina Faso and Ghana. These projects, with total funding of USD 1 million, aim to strengthen public financial management in these countries.
- **Masterclass for Francophone Leadership:** In collaboration with the Fédération Internationale des Experts-Comptables Francophones (FIDEF) and IFAC, we co-hosted the Masterclass for PAO Leadership from French-speaking Countries – Journey to IFAC Membership from September 2022

to September 2023. This initiative has been pivotal in supporting the growth and global integration of PAOs in French-speaking countries in Africa.

- **African Professionalisation Initiative:** We remained actively involved at all levels of the [African Professionalisation Initiative \(API\)](#), including the [Project Steering Group](#), [Academic Advisory Committee](#) and [Interim Oversight Board](#). Countries that have signed MOUs to implement API programmes include Botswana, Liberia, The Gambia and Zimbabwe, with Burkina Faso, Eritrea, Namibia and Nigeria expressing interest. Additionally, the API Accelerated Learning Programme is being translated and contextualised for French-speaking countries in Africa, expanding its reach and impact.

### *Engaging With Member Organisations*

The Board approved the Stakeholder Engagement and Communication Plan. Beginning in 2024, each member organisation will have a dedicated stakeholder relations manager from the PAFA Team. This manager will be responsible for advancing PAFA's relationship with the respective organisation, ensuring consistent and personalised engagement.

We believe that frequent one-on-one interactions with our member organisations will significantly enhance awareness of our services, making them more relevant and impactful for PAOs. Through this targeted approach, we are committed to fostering deeper connections, driving collaborative success and supporting the sustainable growth of the accountancy profession on the continent.

### *Growing Our Brand*

We continue to elevate PAFA's brand recognition through strategic efforts. Our presence on [LinkedIn](#) grew impressively from 3,200 to 4,600 followers, marking a 43.75% increase. Additionally, our [website](#) attracted 10,000 visitors, with each spending an average of 1 minute and 47 seconds engaged with our content.

Moreover, PAFA's leadership and staff actively engaged with representatives from various institutions to raise awareness of our mission and explore opportunities for collaboration. These institutions include:

- **Professional Accountancy Organisations** including:
  - eSwatini Institute of Accountants (eSIA): Stakeholder Engagement — African Professionalisation Initiative.
  - Institute of Administration and Commerce South Africa (IAC SA): Annual General Meeting.
  - Institute of Chartered Accountants, Ghana (ICAG): Knowledge-sharing Webinar — Digitalisation of Professional Qualifications.
  - Institute of Chartered Accountants of Namibia (ICAN-Namibia): ICAN National Accounting Summit.
  - Institute of Chartered Accountants of Nigeria (ICAN-Nigeria): Launch of 3<sup>rd</sup> Edition of the ICAN Accountability Index Report.
  - Institute of Chartered Accountants of Zimbabwe (ICAZ): Winter School — Leadership, Impact, Opportunities and Growth.

- Institute of Certified Public Accountants of Kenya (ICPAK) — 40<sup>th</sup> Annual Seminar First and Second Editions.
  - Lesotho Institute of Accountants (LIA): 46<sup>th</sup> Council Induction Programme and subsequent Membership Event.
  - Mauritius Institute of Professional Accountants (MIPA): Forum of Accountants — Sustainability of the Accountancy Profession.
  - National Board of Accountants and Auditors Tanzania (NBAA): Stakeholder Engagement.
  - Ordre National des Experts Comptables et des Comptables Agréés du Burkina Faso (ONECCA-BF): 5<sup>th</sup> Congress of Chartered Accountants in Member States of the West Africa Economic and Monetary Union.
  - Ordre des Professionnels Comptables du Burundi (OPC Burundi): Annual Conference — Digital Transformation of the Accountancy Profession in Burundi.
  - The South African Institute of Chartered Accountants (SAICA): Meeting to explore the development of MRAs in the southern region.
  - South African Institute of Professional Accountants (SAIPA): Webinar on Public Value Management.
- **Affiliates, MOU Partners and Regional, Continental, and International Organisations**, including the African Association of Accountants General (AAAG), African Accounting and Finance Association (AAFA), African Forum of Independent Accounting and Auditing Regulators (AFIAAR), Association of Accounting Technicians United Kingdom (AAT UK), Association of Chartered Certified Accountants (ACCA), Association of Certified Fraud Examiners South Africa (ACFE SA), African Organisation of Public Accounts Committees (AFROPAC), African Organisation of English-speaking Supreme Audit Institutions (AFROSAI-E), API, African Society of Association Executives (ASAE), Good Governance Academy, Institute of Chartered Accountants in England and Wales (ICAEW), IFRS Foundation, Capacity Building Committee of the International Organisation of Supreme Audit Institutions (INTOSAI), One Young World and United Nations Conference on Trade and Development (UNCTAD).
  - **Accountancy Groupings**, including the Institute of Chartered Accountants of the Caribbean (ICAC), Confederation of Asian and Pacific Accountants (CAPA) and FIDEF.
  - **International Standard-setting Boards**, including the International Accounting Standards Board (IASB), International Sustainability Standards Board (ISSB), International Auditing and Assurance Standards Board (IAASB), International Ethics Standards Board for Accountants (IESBA) and International Public Sector Accounting Standards Board (IPSASB).
  - **Regional Economic Groupings**, including the Southern African Development Community (SADC) and Organisation pour l'Harmonisation en Afrique du Droit des Affaires (OHADA).
  - **Development Partners**, including the African Development Bank, Gavi – The Vaccine Alliance, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), The Global Fund, USAID and World Bank.

As the Regional Organisation for Africa and IFAC Network Partner, we also participated in meetings of the IFAC Council, Board and other relevant IFAC groups to advance our strategic objectives.

Through these concerted efforts, we continue to enhance PAFA's visibility and influence, fostering partnerships that drive the growth and development of the accountancy profession across Africa.

### *Contributing to Effective Professional Accountancy Organisations*

PAFA undertook significant initiatives to strengthen the capacity of the accountancy profession across Africa. Our efforts, carried out under the [PAO Development Activity Plan for 2023](#), focused on fostering collaboration, supporting professional development and enhancing the capabilities of PAOs. Through strategic partnerships, donor-funded programmes and targeted engagement, we aimed to elevate the standards and influence of the accountancy profession on both continental and international platforms.

- **Advocacy and Promotion:** Promoted the [December 2022 PAFA call](#) for PAOs to adopt strategies that support professional accountants in advancing people, planet and prosperity across various national, continental and international platforms.
- **PAO Development Programme:** Implemented the PAFA Donor-funded PAO Development Programme, comprising projects in Burkina Faso with ONECCA-BF and in Ghana with ICAG, funded under the IFAC, GAVI – The Vaccine Alliance, The Global Fund MOU, with total funding of USD 1 million.
- **PAO Partnerships:** Supported PAO partnerships including ICAN (Nigeria) with Ordre National des Experts Comptables et Comptables Agréés du Niger (ONECCA-Niger), ICPAK with OPC Burundi, Institute of Certified Public Accountants of Uganda (ICPAU) with South Sudan, SAICA with Ordem dos Contabilistas e Peritos Contabilistas de Angola (OCPCA), and SAIPA with Ordre National des Experts Comptable (ONEC-Algeria) and Somalia Institute of Certified Public Accountants (SICPA).
- **Engagement with Prospective Members:** Engaged with prospective member organisations in Comoros, Somalia and Sao Tome Principe.
- **Membership Application Process:** Revised the Membership Application Form and piloted it with interested PAOs to ensure effectiveness and user-friendliness. Expanded the mandate of the Planning Human Capital and Finance Committee (PHCFC) to include oversight of membership admissions, suspensions and expulsions to ensure a robust and transparent membership process. Starting in 2024, the PHCFC will review all membership applications.
- **Support for IFAC Membership:** Supported IFAC membership applications for 2023 for the Namibian Institute of Professional Accountants (NIPA) (Associate) and Ordem dos Contabilistas e Auditores de Moçambique (OCAM) (Member), and for future applications for ONEC-Algeria, OCPCA, OPC-Burundi, Ordem Profissional de Auditores e Contabilistas Certificados de Cabo Verde (OPACC), Ordre National des Experts Comptables de la République Démocratique du Congo (ONEC-RDC), Ordre National des Experts Comptables du Gabon (ONEC-Gabon), ONECCA-Niger, Ordre National des Experts Comptables du Congo (ONEC-Congo) and Institute of Accounting and Commerce South Africa (IAC SA).
- **Strengthening PAOs in French-speaking Countries:** Enhanced activities to strengthen PAOs in French-speaking countries in Africa through several key initiatives:

- Collaborated with IFAC and FIDEF to complete a masterclass series for the leadership of PAOs in French-speaking countries, aiding their journey to IFAC membership.
- Worked with IFAC and Direction du développement et des partenariats internationaux (DDPI) to analyse reports on the development status of PAOs in ten French-speaking countries that were funded by OHADA.
- Developed a plan to bolster the capacity of PAOs in French-speaking countries and submitted a related funding proposal to the African Development Bank.
- Commenced virtual engagement with PAOs in French-speaking countries to better understand their development priorities, including Algeria, Burundi, Comoros, Gabon, Niger, Chad, and Togo.

### *Advancing Accountancy Learning and Development*

Despite facing resource constraints, PAFA achieved notable advancements in accountancy learning and development.

- **Engagement with Organisations for ATQ for Africa:** Actively engaged with organisations interested in adopting the African Technician Qualification (ATQ) for Africa, including the Accountants and Auditors Board of Ethiopia (AABE), Botswana Institute of Chartered Accountants (BICA), NIPA, Southern Africa Association of Accountants Zimbabwe (SAAA Zimbabwe) and SICPA. This engagement is pivotal in standardising and elevating the quality of accountancy education across the continent.
- **Support for API:** Provided robust support for the governance structures of the API, aiding the national adoption and implementation of its programmes. These efforts are critical in professionalising public sector accountancy and ensuring a consistent standard of excellence.
- **Development and Implementation of International Standards:** Demonstrated our commitment to international standards through several initiatives:
  - Circulated the ISSB – Capacity Building Initiative survey to aid the development of a sustainability reporting e-learning course.
  - Circulated the IFAC survey on the International Education Standards (IES) and conducted an analysis of the findings to inform future strategies.
  - Hosted a webinar focused on integrating sustainability into Initial Professional Development (IPD) and Continuing Professional Development (CPD) programmes.
  - Dedicated the fourth day of the 2023 PAFA Sustainability Week to mainstreaming sustainability in learning and development. Also responded to the IFAC inquiry on necessary enhancements in the IES to support capacity development for sustainability reporting and assurance.
- **Accountancy Learning and Development Advisory Group Meetings:** Convened regular meetings of the Accountancy Learning and Development Advisory Group to ensure the effective implementation of the [Learning and Development Activity Plan for 2023](#). These meetings facilitated collaborative planning and execution of initiatives aimed at advancing the profession.

### *Promoting the Development, Adoption and Implementation of the International Standards*

PAFA made significant strides in promoting the development, adoption and implementation of the international standards across Africa. Our efforts were geared towards amplifying the continent's voice in international standard-setting forums and fostering sustainable development through robust reporting and assurance mechanisms.

- **Supporting International Standard-Setting Board Membership:** Supported applications for membership on international standard-setting boards and engaged with African representatives serving on these boards. This ensures that Africa's perspectives and needs are effectively communicated and considered in the global standard-setting process.
- **Representation on Key Platforms:** Represented the accountancy profession on relevant national, continental and international platforms, including the Accounting Standards Advisory Forum, thereby amplifying Africa's voice in international standard-setting discussions and decisions.
- **Awareness and Technical Webinars:** Organized awareness-raising and technical webinars for PAOs and their members, providing crucial updates and guidance on international standards and their implementation.
- **Responding to International Consultations:** Responded to various international consultations on behalf of the accountancy profession in Africa, ensuring that the continent's views are adequately represented and considered in the development of international standards.
- **Technical Advisory Group Meetings:** Held meetings of the Corporate Value Reporting Technical Advisory Group and the Ethics, Auditing and Assurance Technical Advisory Group to support the implementation of the [Technical Excellence Activity Plan for 2023](#). These groups play a vital role in advising on best practices and promoting high standards in accountancy.

Recognising the critical importance of sustainability in today's global economy, we dedicated significant efforts to advance sustainability reporting and assurance across Africa. Our initiatives aim to ensure that the accountancy profession plays its rightful role in promoting transparency, accountability and sustainable development.

- **Virtual Launch of IFRS Sustainability Disclosure Standards:** In collaboration with the ISSB, co-hosted a virtual launch of the first two IFRS Sustainability Disclosure Standards. Additionally, participated in the launch of these standards in Nigeria and co-organised an introduction to the standards in Kenya with ISSB and ICPAK.
- **2023 PAFA Sustainability Week:** Successfully held the 2023 PAFA Sustainability Week, which included dedicated sessions to discuss and promote sustainability practices within the accountancy profession. [\[Day 1\]](#) [\[Day 2\]](#) [\[Day 3\]](#) [\[Day 4\]](#)
- **Representation on Sustainability Platforms:** Represented the accountancy profession on various national, continental and international platforms, including the Sustainability Standards Advisory Forum, to ensure Africa's voice is heard in sustainability standard-setting.
- **Responding to Consultations on Sustainability Standards:** Responded to international consultations on behalf of the accountancy profession in Africa, including the ISSB's Agenda



Consultation and the International Auditing and Assurance Board's consultation on the proposed International Standard on Sustainability Assurance 5000.

- **Collaboration with IFRS Foundation:** Collaborated with the IFRS Foundation on a funding proposal to develop a strategy aimed at building sustainability reporting capacity in Africa. This initiative underscores our commitment to fostering sustainable development through improved reporting and assurance practices.

### *Advancing the Quality and Mobility of Accountancy Services*

We achieved considerable progress in enhancing the quality of accountancy services across Africa. Our initiatives aimed to strengthen the frameworks, tools and collaborative efforts essential for elevating professional standards and ensuring robust regulatory practices. By updating guidance, developing critical assessment tools and fostering multi-stakeholder engagement, PAFA is committed to driving the quality of accountancy services throughout the continent.

- **Quality Assurance Review Guidance:** Updated the PAFA Quality Assurance Review (AQR) Guidance for PAOs and Regulators, providing a comprehensive framework for maintaining high standards in the profession.
- **Developed Essential Tools:** Developed a suite of tools for firms, PAOs and regulators (PAOs), including the [Firm ISQM Readiness Assessment](#), [PAO/Regulator AQR System Assessment](#), and [PAO/Regulator Investigation and Discipline System Assessment](#). These tools are designed to facilitate rigorous quality assurance processes.
- **Multi-Stakeholder Engagement:** Conducted a multi-stakeholder webinar to share PAFA's plans for advancing accountancy quality in Africa, with participation from 18 countries. This platform facilitated valuable knowledge exchange and stakeholder alignment.
- **Inaugural Forum for Heads of QAR Departments:** In collaboration with AFIAAR and hosted by ICPAK, held the inaugural Forum for Heads of QAR Departments in Africa. The forum saw representation from 21 countries, promoting regional cooperation and the sharing of best practices.
- **Funding and Collaboration Initiatives:** Submitted funding proposals to the African Development Bank and USAID to support our accountancy quality initiatives. Additionally, discussed collaboration with FIDEF on the French translation and contextualisation of the PAFA AQR Guidance for PAOs and Regulators, aiming to ensure accessibility and relevance across language barriers.
- **Establishment of the Accountancy Quality Advisory Group:** Established the Accountancy Quality Advisory Group and held regular meetings to support the implementation of the [Accountancy Quality Activity Plan for 2023](#). This group plays a crucial role in guiding our efforts and ensuring continuous improvement in accountancy quality in Africa.

Despite limited resources and this being a new area of focus, our efforts in 2023 have yielded noteworthy progress in advancing the mobility of accountancy services. We are committed to advancing these initiatives, recognising that the journey is gradual but crucial for the future of accountancy on the continent.

- **National, Continental and International Presentations:** Promoted the PAFA – ACCA report [Journey to AU 2063: Professional Accountants Empowering the Africa Continental Free Trade Area](#)

[\(AfCFTA\) Agreement](#) on various platforms, showcasing our commitment to the African Union Agenda 2063.

- **Engagement with SADC on MRAs:** Collaborated with SADC on developing MRAs under the AfCFTA Agreement. This included circulating a comprehensive survey and analysing the findings. Additionally, with the support of SAICA, facilitated a meeting with PAOs to outline the necessary steps and strategic actions required to establish an MRA.
- **Collaboration with AfCFTA Secretariat:** Engaged with representatives from the AfCFTA Secretariat to align our efforts with broader continental trade objectives, ensuring our initiatives support the overarching goals of the AfCFTA Agreement.
- **Strategic Response Plan Development:** Developed a detailed plan to address the findings of the report Journey to AU2063: Professional Accountants Empowering the AfCFTA Agreement, with implementation set to commence in 2024. To ensure the plan is actionable by PAFA and PAOs, it will be reviewed by a group of experts in 2024. This review will focus on refining the plan to ensure it is practical, impactful and aligned with the strategic objectives of PAFA and the needs of PAOs.

### *Enhancing Good Governance, Transparency and Accountability in the Public Sector*

Our focus on public sector governance, transparency and accountability has resulted in significant strides. Despite the challenges inherent in these areas, our dedicated efforts have driven impactful initiatives, fostering a culture of integrity and responsibility within the public sector across Africa.

- **Promotion of Good Governance:** Actively promoted good governance, transparency, and accountability in the public sector through engagements on various national, continental and international platforms – see the section on Growing Our Brand.
- **Public Sector Engagement Framework:** Successfully launched the [Public Sector Engagement Framework for Professional Accountancy Organisations in French-speaking Countries](#). This framework has garnered interest from four countries, which have expressed their commitment to pilot its implementation, demonstrating the framework's potential for widespread impact.
- **Collaboration with IPSASB:** Engaged with members of the IPSASB from Africa, establishing a robust mechanism to enhance Africa's contribution to the development of International Public Sector Accounting Standards. This collaboration ensures that Africa's unique perspectives and needs are considered in global standards.
- **Knowledge Sharing on IPSASB Strategy:** Held a knowledge-sharing event focused on the IPSASB 2024 – 2028 Strategy and Work Programme consultation. This event facilitated valuable discussions and provided insights into the strategic direction of public sector accounting standards.
- **International Consultation Responses:** Actively responded to international consultations on behalf of the accountancy profession in Africa. Our input has helped shape global standards and practices, reflecting the interests and concerns of Africa.
- **Public Value Management Technical Advisory Group:** Convened meetings of the Public Value Management Technical Advisory Group to support the implementation of the [Public Value Management Activity Plan for 2023](#). These meetings have been instrumental in driving forward our initiatives and ensuring their alignment with broader public sector goals.

### *Strengthening People, Processes and Systems*

We continued to strengthen our people, processes and systems to build a more robust and resilient organisation. Our key achievements in these areas have laid the foundation for sustained growth and efficiency, enabling us to better serve our stakeholders and fulfil our mission.

- **Board Election and Orientation:** Facilitated the election of a new Board, ensuring a smooth transition and continuity of leadership. A comprehensive orientation programme was conducted for Board members, equipping them with the knowledge and tools needed to effectively govern and steer the organisation.
- **Stakeholder Consultation on 10-Year Review Recommendations:** Issued a stakeholder consultation paper on the PAFA 10-Year Review Recommendations. This consultation paper solicited valuable feedback and insights from our member organisations, helping us refine our strategic direction and ensure alignment with our community's needs.
- **Development of a Compliance Framework:** Developed a comprehensive Compliance Framework to enhance our governance and operational standards. This framework provides clear guidelines and protocols to ensure adherence to best practices and regulatory requirements, reinforcing our commitment to accountability and transparency. The Secretariat reports periodically to the Audit & Risk Committee on compliance with [applicable laws and regulations](#).
- **Diversified Funding:** Diversified our funding sources through strategic partnerships and donor engagement. These efforts have expanded our capacity to undertake new projects and initiatives, ensuring the sustainability of our operations.

PAFA's organisational performance was marked by significant achievements, driven by our commitment to our vision and mission. We successfully navigated challenges and made substantial progress in implementing our Strategy for 2022 – 2024. Our accomplishments underscore our dedication to creating sustainable value for the citizens of Africa. By leveraging our comparative advantages and maintaining stakeholder engagement, we have set a solid foundation for continued success and growth.

### **II. Financial Performance in 2023**

The annual financial statements for the year ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS), the PAFA Constitution and Bylaws and the Non-Profit Organisations Act 71 of 1997 of South Africa, as amended. The accounting policies have been applied consistently, ensuring continuity and comparability with the prior year. Our financial performance reflects our ongoing commitment to transparency, financial prudence and effective resource management, even amidst challenging economic conditions.

**Surplus and Revenue:** For the year ended 31 December 2023, PAFA recorded a surplus of US\$ 102,000, compared to US\$ 191,000 in 2022. The decrease in surplus is primarily due to a reduction in revenue, which declined from US\$ 1,299,000 in the prior year to US\$ 1,176,000. This decline is attributed to an adjustment in membership subscriptions, necessitated by a reduction in Member and Associate membership, which forms the basis for subscription calculations. To continue providing financial relief in light of the lingering impacts of the COVID-19 pandemic, the Board approved a 2.5% discount on membership subscriptions for 2023, down from 5% in the previous year.

**Cash Flow:** PAFA's cash flow from operating activities saw a positive turnaround, generating US\$ 67,000 in 2023, a significant improvement from the US\$ 132,000 utilised in the prior year. This positive cash flow was primarily driven by a substantial increase in finance and other income.

Despite the challenges posed by a reduction in membership subscriptions and the ongoing economic repercussions of the COVID-19 pandemic, PAFA has maintained a strong financial position. The surplus achieved and the positive cash flow from operating activities underscore our resilience, effective financial management and strategic efforts to diversify income streams. As we move forward, we remain committed to ensuring the financial stability and sustainability of the organisation.

### III. Risk Identification and Mitigation

Throughout 2023, we mapped identified risks to strategic actions and continuously monitored the effectiveness of these actions in mitigating risks over time.

#### *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.

The identification and proactive management of both strategic and operational risks in 2023 have been pivotal in steering PAFA towards greater resilience and effectiveness. While we have made significant strides in enhancing our recognition and forming strategic partnerships, challenges remain in meeting diverse member organisation demands and securing sustainable funding. Our ongoing efforts to attract and retain qualified volunteers and increase awareness of our work are critical to overcoming these challenges. By continuing to monitor and adapt our risk mitigation strategies, we are confident in our ability to navigate uncertainties and drive the growth and influence of the accountancy profession across Africa.

### IV. 2023 Stakeholder Satisfaction Survey

PAFA conducts an annual stakeholder survey to gauge member organisations' satisfaction. In 2023, 77% of member organisations responded to the Stakeholder Satisfaction Survey, maintaining the same response rate as in 2022. Despite PAFA's continued efforts to enhance service delivery, the Board was surprised by the lower ratings received in 2023, especially given the significant overlap in respondents between the two years.

The Secretariat has committed to gaining a deeper understanding of these ratings throughout 2024 as part of the implementation of the Stakeholder Engagement and Communication Plan. This will include targeted engagement by stakeholder relations managers with individual member organisations. Early indications suggest that the survey was completed by different individuals in 2023 compared to 2022. Additionally, some member organisations remain unaware of PAFA's services or how to effectively utilise them to achieve their own strategic objectives. Others may lack the capacity to fully absorb and implement PAFA's offerings.

Effective communication remains a significant challenge, both in terms of PAFA's outreach to member organisations and the internal communication within those organisations about PAFA's services. Many member organisations, particularly in French-speaking countries, have requested support for IFAC membership applications. Recognising and addressing the diversity of PAFA's membership, including overcoming language barriers, is essential to ensure inclusivity.

According to the survey, 67% of respondents in 2023 (down from 86% in 2022) believe that PAFA's brand is recognized to a very great or great extent at the international level, 72% (down from 77% in 2022) believe the same at the regional level, and 52% (up from 40% in 2022) believe the same at the national level.

We also asked respondents about their awareness of PAFA's activities, whether these activities are relevant to their PAOs, and their views on the quality of these activities. Their responses were 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 Rating out of 5	
	2023	2022	2023	2022	2023	2022
To enhance the effectiveness of PAOs	65%	84%	59%	64%	3,8	3,9
To advance accountancy learning and development	61%	80%	57%	69%	3,7	4,0
To support the development, adoption and implementation of the international standards	65%	73%	65%	68%	3,9	3,8
To advance sustainability reporting and assurance	59%	70%	59%	65%	3,5	3,7
To advance audit quality	50%	72%	61%	77%	3,8	3,9
To learn more about the AfCFTA and the implications for the accountancy profession	46%	44%	54%	53%	3,7	3,4
To enhance public sector governance, transparency, and accountability	61%	53%	70%	60%	3,7	3,7

Regarding PAFA's advocacy efforts, 72% of respondents felt that PAFA effectively advocated on behalf of the accountancy profession to a very great or great extent, a decrease from 81% in 2022.

When asked about overall satisfaction with PAFA's service delivery, 72% of respondents indicated high satisfaction, down from 83% in 2022. Meanwhile, 24% reported moderate satisfaction (up from 12%), and 4% reported low satisfaction (slightly down from 5%). In terms of value derived from PAFA membership subscriptions, 61% of respondents indicated high value, a slight decrease from 63% in 2022, while 28% reported moderate value (slightly down from 29%), and 9% reported low value (up from 7%).

In the 2023 survey, 76% of respondents expressed high levels of satisfaction with the Team's expertise in their respective subject areas, though this was a slight decrease from 84% in 2022. Satisfaction with the quality of the Team's work also saw a decrease, with 74% of respondents indicating they were very greatly or greatly satisfied, compared to 86% in the previous year. The Team's ability to organise events remained strong, receiving an 87% satisfaction rating, just slightly lower than the 91% achieved in 2022. Satisfaction with the Team's responsiveness to inquiries fell to 72% from 79% in 2022. Additionally, 67% of respondents were very greatly or greatly satisfied with the quality of the Team's engagement with their organisations, maintaining the same level as the previous year.

The 2023 Stakeholder Satisfaction Survey has provided valuable insights into the perceptions and experiences of our member organisations. While the survey highlights areas where PAFA continues to excel, it also underscores the need for improvements. The Secretariat is committed to addressing these challenges in 2024, with a focus on enhancing communication and understanding the specific needs of each member organisation.

## V. PAFA Ten-Year Review

During its first ten years, PAFA impressively expanded its membership to 56 member organisations across 45 countries, along with five Affiliates, establishing a strong brand presence in Africa and beyond. The 10<sup>th</sup> anniversary in 2021 offered a unique opportunity to leverage past successes and insights to shape the organisation's future. To capitalise on this milestone, the Board approved a comprehensive Ten-Year Review aimed at developing a governance and operational model suited to PAFA's maturity, future readiness, and sustainability.

The Ten-Year Review was conducted by the Secretariat under the leadership of the Chief Executive Officer with Board oversight. Initially guided by an advisory group chaired by Professor Mervyn King in 2021, the Review was subsequently informed by a Board ad hoc committee chaired by the PAFA President.

The Review addressed three key areas:

- Long-Term Value Creation: Positioning PAFA as an influencer and trailblazer, contributing to the African Union Agenda 2063 and the United Nations Sustainable Development Goals.
- Governance Structure: Establishing an ideal governance framework to drive value creation.
- Membership Impact: Focusing on leading enterprise and public value creation, management, reporting and assurance through PAFA's membership.

### *Consultation Process*

The final recommendations from the Review were approved by the Board for stakeholder consultation. The Consultation Paper, released in English, French and Portuguese in November 2023, invited feedback by 16 February 2024. Respondents were encouraged to submit detailed responses online, explaining their support or objections and suggesting enhancements.

To facilitate understanding of the recommendations, information sessions were held on 31 January and 7 February 2024, with simultaneous interpretation in English and French. The session on 31 January was attended by 13 individuals from nine countries, while the session on 7 February saw participation from 16 individuals representing eight countries.

In total, 26 PAOs from 24 countries responded to the Consultation Paper, resulting in a 46% response rate.

### *Conclusion*

The Board acknowledged concerns, particularly from PAOs in French-speaking, that the recommendations could fundamentally alter PAFA's original pan-Africanist vision. After careful deliberation, the Board decided against implementing changes to the Constitution and Bylaws at this time, focusing instead on strengthening relationships and building trust within PAFA's diverse membership.

Many recommendations can still be partially implemented through PAFA policies and procedures, as allowed by the current Constitution and Bylaws.

The Board remains open to amending the Constitution and Bylaws on a case-by-case basis should the need arise before the next comprehensive review of these important documents.

## **VII Africa Congress of Accountants**

### *ACOA 2023*

The African Congress of Accountants (ACOA) 2023, organised by the Ordre des Experts-Comptables de Côte d'Ivoire (OEC-CI), marked a significant milestone in fostering growth and collaboration within the accountancy profession in Africa. This 7<sup>th</sup> edition, held from 15 – 18 May 2023 in Côte d'Ivoire, saw participation from more than 1 500 delegates representing 51 countries and various institutions.

The congress theme, Structural Transformation and Growth of African Economies, provided 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.

The congress included one high-level panel and six thematic panels focusing on topics such as the informal sector, SMEs, economic transformation, human capital development, post-COVID-19 resilience and the digitisation of public administrations. The high-level panel addressed the role of professional accountants in economic structural reforms and innovation across various sectors.

The event was graced by high-level government officials, including the Vice-President of the Republic, the Prime Minister and several ministers, underscoring the importance of the accountancy profession in national development.

Delegates participated in recreational activities and sightseeing tours in Yamoussoukro and Assinie, enhancing the cultural and networking experience.

The total financial resources mobilised amounted to XOF 607,000,000 (approximately \$964,000), primarily sourced from participation fees, sponsorships and contributions from OEC-CI. Participation fees contributed 38% of the revenue, sponsorships accounted for 46% and OEC-CI contributed 16%.

The total expenditure for the event reached XOF 607,000,000 (\$964,000). The main expenses were accommodation, food and entertainment, followed by costs for the conference room, promotion and advertising. Although there was a shortfall in expected resources, the diligent management of funds ensured the event's financial stability. OEC-CI played a crucial role in covering financial gaps, contributing XOF 96,250,000 (\$153,000) to ensure the congress' success.

We extend our heartfelt thanks and compliments to OEC-CI for their exceptional efforts in organising and hosting ACOA 2023. Their dedication, meticulous planning and unwavering commitment played a pivotal role in making this congress a tremendous success. The OEC-CI's efforts have not only elevated the profile of Côte d'Ivoire but have also significantly contributed to the advancement of the accountancy profession in Africa.

Overall, ACOA 2023 provided a platform for robust dialogue, knowledge sharing and strategic planning to advance the accountancy profession in Africa. The congress' success reflects the collective efforts of member organisations, governmental support and the dedication of the accountancy profession.

### ACOA 2025

It would be remiss not to take this opportunity to promote ACOA 2025. Professional accountants and key stakeholders from across the continent and beyond will unite in Kigali, Rwanda, both physically and virtually, from 6 – 9 May 2025.

The 8<sup>th</sup> edition of the Africa Congress of Accountants will be hosted at the Kigali Convention Centre, is expected to bring together over 1 500 delegates from more than 50 countries, along with approximately 500 virtual participants.

The theme for ACOA 2025, Creating Value for Africa, embodies our collective commitment to leveraging the power of accountancy to drive meaningful change and prosperity across the continent. It emphasises the imperative for professional accountants to innovate, collaborate and lead initiatives that generate sustainable economic, social and environmental value for Africa and its people. This theme underscores the crucial role of the accountancy profession in unlocking Africa's potential and building a brighter future for all.

This unique edition of the congress will feature delegates and speakers from diverse cultural and linguistic backgrounds, offering an unparalleled opportunity to connect, share insights and expand professional networks across Africa.

We look forward to welcoming you to Kigali. Register early to secure your place and be part of this transformative event.

### Acknowledgements

Recognising PAFA's limited resources, we extend our heartfelt appreciation to stakeholders for their financial and in-kind contributions. Your support is invaluable in helping us achieve our mission and



deliver on our commitments. This collective effort has enabled us to make significant strides despite our resource constraints. In particular, we would like to acknowledge:

- **PwC South Africa:** For providing internal audit services valued at US\$ 23,000 on a pro bono basis.
- **SAIPA:** For offering office space, financial services, and ITC support on a pro bono basis.
- **FIDEF and IFAC:** For co-hosting the Masterclass for PAO Leadership in French-speaking Countries – Journey to IFAC Membership, alongside PAFA.
- **ICPAK:** For hosting the inaugural meeting of the Forum for Heads of Quality Assurance Review Departments in Africa.
- **SAICA:** For facilitating a meeting of selected PAOs in the southern region to discuss MRAs.
- **NBAA in Tanzania and ONECCA-BF:** For hosting the Board.
- **OEC-CI:** For hosting the Board, General Assembly, and the 7<sup>th</sup> edition of the Africa Congress of Accountants.

Additionally, we are deeply grateful for the unwavering support of our Board, volunteers, member organisations, staff, and other stakeholders during the past year.

### **Conclusion**

As we move forward, we remain focused on our strategic objectives, confident in our ability to overcome obstacles and achieve our goals, ultimately contributing to the broader economic and societal aspirations of the African Union Agenda 2063 and the United Nations Sustainable Development Goals.

As we embark on the discussions and deliberations of this Annual General Meeting, let us reaffirm our commitment to excellence, integrity and innovation. Let us continue to work together to elevate the standards of our profession and to make a meaningful impact on the socio-economic development of our continent.

Thank you for your dedication, your passion and your unwavering belief in the power of our profession to transform lives and build a better Africa.

Long live our global involvement through IFAC;

Long live the accountancy profession in Africa;

Long live PAFA.