



30 June 2022

PAFA President's Report

Ladies and Gentlemen, I welcome you to the 12th General Assembly of PAFA. I sincerely thank the professional accountancy organisations in Zimbabwe for hosting this meeting in Victoria Falls, Zimbabwe and you—our member organisations and guests—for your participation. PAFA exists because of you.

COVID-19 has changed the world forever. As a profession we stand together to face the challenges and harness the opportunities as we enter the new normal. I express my deepest sympathy to our colleagues who have lost family or friends or are challenged with the social, financial or economic impact of the pandemic.

I encourage you to use the opportunity here in Victoria Falls to engage with the members of our PAFA family to share the experiences and achievements of the past year and offer our support.

Today, it is my pleasure to report to our member organisations in accordance with the PAFA Constitution, covering the period January to December 2021, and—in addition—highlight a few activities in 2022. It includes the following points:

- I. Implementation of the PAFA strategy in 2021
- II. Annual audited financial statements for 2021
- III. Identification and mitigation of risks
- IV. Measuring our performance
- V. Celebrating ten years of growth
- VI. Activities in 2022

I Implementation of the PAFA Strategy in 2021

In 2021, PAFA continued to offer our services under the seven **strategic objectives** that represent our commitment to our member organisations and other key stakeholders.

1. *Public Value Management*: To facilitate stronger PVM through professional accountancy organisations (PAOs) to achieve value creation, fiscal discipline, effective resource allocation and effective service delivery to citizens.
2. *Relevant and partner of choice*: To position PAFA and our PAOs as partners of choice by relevant stakeholders at the international, regional and national levels in matters relating to accountancy and governance.

3. *Objective thought leadership:* To generate and facilitate cutting-edge knowledge and solutions relating to future issues that will impact society, the economy, and the profession.
4. *Modern and future-ready profession:* To transform the learning and professional development value chain by incorporating innovations and emerging technologies to develop new skills, behaviours and competencies.
5. *International standards and best practices:* To influence the development and facilitate the adoption and implementation of international standards and best practices to improve the quality of corporate reporting by an ethical profession trusted by stakeholders.
6. *Service excellence through regional cooperation:* To facilitate the sharing of knowledge, resources and experiences across the region.
7. *Education and PAO capacity building:* To build a strong and sustainable PAO in each African country that will contribute to national professional, economic and social development and demonstrate compliance with the IFAC Statements of Membership Obligations (SMOs)

PAFA's key achievements under each of the seven strategic objectives are presented in **Appendix 1** to this report. Allow me to highlight a few key initiatives.

Under the **Public Value Management** (PVM) strategic objective, PAFA held the [Accountability & Transparency During & Post COVID-19](#) virtual event in collaboration with PAFA Affiliate, ICAEW; and enhanced Africa's voice in international standard-setting by developing responses to public consultations of the International Public Sector Accounting Standards Board (IPSASB) in collaboration with PAFA Affiliate, ACCA.

PAFA also participated at all levels of the of the [African Professionalisation Initiative](#) (API) (including the [Project Steering Group](#), [Academic Advisory Committee](#), and [Interim Oversight Board](#)). On 29 June 2022, the PAFA Board will endorse a constitution and bylaws that will establish the API as an independent organisation. The accountancy profession in Africa has a public interest responsibility to strengthen PVM. I therefore encourage you to engage with the Ministry of Finance and Office of the Auditor General or Court of Auditors in your country and closely follow developments under the API.

High-quality accrual-based public financial reporting is a cornerstone of strong PVM. The [International Public Sector Financial Accountability Index](#) provides information about the public sector accounting standards and bases of accounting used by governments across the globe. Working closely with IFAC, the PAFA Secretariat facilitated an update to the Index in 2020 and held the *Enhancing Public Sector Accountability in Africa through Accrual Reporting* webinar in 2021 to launch the updated Index in Africa.

In 2021, we continued to enhance PAFA's brand recognition under the **Relevant and Partner of Choice** strategic objective. We grew our presence on [LinkedIn](#) from 500 to 1 900—representing a 280% growth in followers; refreshed the PAFA Newsletter; enhanced our communications with Member Organisations; and represented PAFA on various platforms. We also developed a new [PAFA website](#), which we are excited to launch at this annual general meeting.

Recognising our limited resources, the PAFA Secretariat strengthened and harnessed key stakeholder relations to benefit our member organisations. This includes a new memorandum of understanding with

[AFROPAC](#); and a variety of virtual events on topical issues held in collaboration with: PAFA Affiliates, ACCA and ICAEW; Kerry Kohl from [Life Online Guru](#); and [Allinial Global](#).

As IFAC Network Partner and Recognised Regional Organisation, we supported IFAC: in hosting the *Africa Trust in Tax Roundtable* to gather insights from Africa for their 2021 [Trust in Tax Report](#); and in hosting a knowledge-sharing event on *Sustainability Assurance in Africa* to shape IFAC's policy position on the subject.

In our quest to strengthen the Pan African nature of our organisation, PAFA offered many of our events and communications in multiple languages; engaged with PAFA Board members to understand how best to serve our French-speaking constituency; and hosted a meeting between PAOs in French-speaking countries and the International Accounting Standards Board (IASB) to determine how best the IASB can engage this constituency to obtain their input to the standard setting process.

The [Africa Congress of Accountants 2021, Embracing the Fourth Industrial Revolution](#) was PAFA's most important activity under the **Objective Thought Leadership** and **Modern and Future-ready Profession** strategic objectives in 2021. Hosted by OCAM in Maputo, Mozambique on 24-26 November 2021, the event – which was the first ever hybrid ACOA – drew more than 500 in-person and over 1 000 online delegates from approximately 60 countries and 35 sponsors from across Africa and internationally. The delegates actively participated in the evolving dialogue on how accountancy, finance, and governance professionals can harness 4IR to increase the positive impact organisations have on people, planet, profitability and, ultimately, prosperity. Disruptive inter-generational ideas were shared on the impact of Artificial Intelligence, Blockchain, Cloud, Cyber, Data Analytics, and the Internet of Things. The dialogue was significantly enriched by the interventions of approximately 35 speakers and panellists from across the globe. We congratulate OCAM on a very successful event and thank them for their herculean effort to organise an event of this magnitude during a period of pandemic.

The top three papers under the [Africa Call for Accounting & Finance Research Initiative 2020-2021](#), issued by PAFA in collaboration with the African Accounting and Finance Association, were delivered during ACOA 2021. The Accounting & Finance Research Initiative aims to advance knowledge of accountancy practices in Africa via dissemination of high-quality research to support policy development and thought leadership on the continent.

Other activities to facilitate the future-readiness of the profession included access to [4th Talent](#)'s high-quality online CPD for Member Organisation members, free for a period of three months; a [workshop](#) to explore the development of a roadmap for PAOs to prepare future-ready professional accountants; and a discussion with PAO leadership on the role of the accountancy profession in the Sustainable Development Goals, Africa-EU Partnership, and AU Agenda 2063.

PAFA also launched a *Diversity in Accountancy in Africa* Initiative with a virtual [Knowledge-Sharing Event](#); published the [first interview](#) under an interview with role models series; and held two webinars: [The Art of the Impossible](#) in collaboration with Kerry Kohl from [Life Online Guru](#) and *The Future of Our Economic Policies Must Be Gender Sensitive* in collaboration with ACCA.

The **International Standards and Best Practices** strategic objective remains one of our most important strategic objectives. To ensure Africa's voice is heard in international standard-setting, we issued guidance to PAOs to identify the right candidates for nominations for international standard-setting board

membership; and supported PAOs in making two highly qualified nominations for membership of the new Nominating Committee for the International Auditing and Assurance Standards Board (IAASB) and International Ethics Standards Board for Accountants (IESBA). PAFA is pleased that Mrs Onome Joy Adewuyi, past ICAN (Nigeria) President and past PAFA Board member, was appointed as a member of the Nominating Committee. In addition, we continued to facilitate responses to public consultations of the international standard-setting boards, including the *Exposure Draft on Proposed International Standard on Auditing of Financial Statements of Less Complex Entities*.

To address matters pertinent to the pandemic, we held a three-day webinar series: *A Crucial Year to Build Trust: [Response](#), [Recover](#), [Renew](#)*.

Recognising the important role of the accountancy profession in sustainability reporting and assurance, we hosted a roundtable to obtain input to the IFRS Foundation's public consultation on sustainability reporting and submitted a [PAFA response](#). In collaboration with IFAC, we hosted a webinar on the *State of Play in Sustainability Assurance and Reporting in Africa* to seek insights on the extent to which companies on the continent are producing sustainability reports and subjecting those to assurance.

In 2021, we continued to enhance **Service Excellence through Regional Cooperation**. This included offering co-branding opportunities to Member Organisations for three virtual events, giving rise to approximately 15 PAOs co-branding for each event. We also engaged with the Association of Accountancy Bodies of West Africa (ABWA) on the World Bank's Accounting Technician Qualification for Africa project and the Fédération Internationale des Experts-Comptables Francophones (FIDEF) on the co-branding of various virtual events. As PAFA President, I represented the organisation at the 10th ONEC Cameroon Congress in July 2021; the 4th Regional Congress of WAEMU Chartered Accountants in October 2021 in Bamako, Mali; and the OHADA Conference in December 2021 in Niamey, Niger; as well as preside over ACOA 2021 in Maputo, Mozambique.

Lastly, under the **Education and Capacity Building** strategic initiative, we conducted a survey to inform the World Bank's development of the Accounting Technician Qualification for Africa; and held a workshop to explore the concept of a common content accountancy competency framework for Africa.

We held [virtual events](#) to explore the *IFAC PAO Digital Readiness Assessment Tool*. More than 20 PAOs in Africa accessed the Tool; and IFAC selected the following countries to benefit from World Bank support in this regard: Benin, Burkina Faso, Cameroun, Cote d'Ivoire, Mali, Mauritius, Morocco, Mozambique, Senegal, Tanzania, Togo, and Tunisia.

The PAFA Secretariat visited the PAOs in Burkina Faso, Namibia, and Mali and provided IFAC SMO compliance support; and held a meeting with the leadership of the PAO in Angola to consider how best to support accountancy capacity building in Angola. The PAFA Secretariat also engaged with the PAOs in Egypt, Seychelles, Somalia, and South Sudan.

PAFA was selected by the [World Bank](#) to manage a Recipient Executed Trust Fund of US \$800,000 to pilot the Accounting Technician Qualification for Africa in three countries (Angola, Mozambique, and South Sudan), starting 2021. PAFA was also selected by IFAC to manage the implementation of PAO capacity building projects in two countries (Burkina Faso and Ghana) in Africa under the [IFAC-GAVI-The Global Fund MOU](#).

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 2021](#), which are included amongst the agenda items for the Annual General Meeting.

II 2021 Audited Annual Financial Statements

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 small **deficit** of US \$16,070 in 2021, while in 2020 it recorded a surplus of US \$419,113, which was largely attributable to significant savings in operating expenses because of reduced travel due to COVID-19.

Revenue decreased by 10% from US \$1,076,141 in the prior year to US \$961,319 for the year ended 31 December 2021. This is mainly attributable to a 10% discount on membership subscriptions approved by the PAFA Board in response to the negative financial implications of COVID-19 on the Member Organisations and their members. Furthermore, the pandemic affected some Member Organisations' ability to pay their annual subscriptions, even after the discount.

Operating expenses increased by 20% from US \$807,964 in the prior year to US \$976,228 for the year ended 31 December 2021 as activities resumed during the year despite the pandemic.

The decrease in revenue and increase in operating expenses gave rise to a decrease in **cash flow generated from operating activities** from US \$139 467 in the prior year to US \$65 832 in 2021.

We appreciate the support of all our member organisations and stakeholders during 2021.

III Risk Identification and Mitigation

Risk management is an integral part of PAFA's strategic planning process. In 2021, 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.

And the following **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 2021 – we continued to monitor the extent to which those actions mitigated the risks over time. Risk mitigation was affected by the economic and social implications of COVID-19 and the vacancy and general lack of human resources in PAFA.

IV Measuring Our Performance

They say, “what gets measured gets done”. We issued the 2021 stakeholder satisfactions survey to all Member Organisations in December 2021. The findings are presented in **Appendix 2** to this report.

66% of Member Organisations responded to the survey. I thank you for your responses and encourage all our member organisations to respond to the 2022 stakeholder survey, which will be issued in December 2022. Our target response rate for 2022 is 75%. Your voice matters and is essential in guiding our value proposition and service delivery to you.

Some highlights from the survey findings:

- 74% of the respondents believe PAFA’s brand is recognised to a great or very great extent at the regional level, while 68% believe this to be the case at the international level and 58% at the national level.
- *Education and Capacity Building* is the most relevant strategic objective to our member organisations, followed by *Relevant and Partner of Choice*, *Modern and Future-Ready Profession*, and *International Standards and Best Practices*.
- 52% of the respondents believe we have achieved our strategic objective to influence the development and facilitate the adoption and implementation of *international standards and best practices* to a great or very great extent. 48% believe this was also the case for *service excellence through regional cooperation*, while 45% believe it to be true for *public value management, relevant and partner of choice*, and *objective thought leadership*.
- Responses across the survey highlighted concerns about the *future-readiness of the profession* and the implications for *education and PAO capacity*. The respondents are of the view that PAFA can do more in these areas, with 39% believing PAFA achieved the *modern and future-ready profession* strategic objective to a great or very great extent, and 32% believing this to be the case for the *education and PAO capacity building* strategic objective.
- Of concern is that an average of 25% of the respondents are of the view that PAFA did not achieve our strategic objectives or achieved them only to a small extent in 2021.
- Almost 50% of the respondents are of the view that their organisations received value to a great or very great extent for their 2021 PAFA subscription, while 32% indicated to a moderate extent and 19% to a small extent.
- Asked about the most valuable activities in 2021, the Africa Congress of Accountants was a clear winner, with respondents particularly valuing the opportunity to network and engage in dialogue on

relevant topics. This was followed by the PAFA PAO Leadership Forum, webinars, and roundtables. Third was PAO support, country visits, and the PAFA newsletter.

- The respondents also helped us to identify the activities their organisations would find most valuable in 2022. These include activities to strengthen PAO capacity, advance public value management, represent the accountancy profession in Africa, and share knowledge; as well as activities to support their organisations' recovery from the pandemic.
- When asked about the key strategic and operational risks facing PAFA in 2022, respondents noted the lack of sustainable funding, exacerbated by the implications of COVID-19, as well as the lack of an attractive value proposition, the future relevance of the accountancy profession and 5IR¹ preparedness, the diversity of PAO environments and ways of working, inadequate human and financial resources, and inability to attract or retain staff and volunteers, among others.
- Respondents believe that strategic relationships with the African Union, including the Africa Continental Free Trade Area (AfCFTA) secretariat, and regional economic groupings and political blocks will be essential in 2022 to realise the accountancy profession's contribution to The Africa We Want.
- We also learned that our member organisations prefer to be contacted via email and WhatsApp as and when needed.
- Lastly, respondents expressed satisfaction with the PAFA Team. 81% are greatly or very greatly satisfied with the Team's responsiveness to their inquiries, while 77% believe the same about the Team's knowledge of the subject matter for which they are responsible, 74% about the quality of the Team's work, and 71% about the quality of the Team's engagement with their organisations and the Team's ability to organise events.

V Celebrating Ten Years of Growth

In June 2021 we celebrated PAFA's 10th anniversary in Cotonou, Benin. We also elected a new Board and appointed a President and Vice President – Ms Keto Kayemba – for 2021 – 2023. In October 2021, we co-opted three Board members to enhance diversity and inclusivity in Board membership.

PAFA's 10th anniversary provided a unique opportunity to harness the successes and learnings of the past decade to shape the next decade. The PAFA 10-Year Review, which was approved by the Board in March 2021, has three dimensions—governance, strategy, and structure. The objective is to deliver a governance and business model—as well as the arrangements necessary to operationalise it—that is commensurate with the maturity of the organisation, fit for future, and sustainable.

The Review is led by the Secretariat under oversight of the PAFA Board. In 2021 we received input from the 10-Year Review Advisory Group, which was chaired by Professor Mervyn King. In addition to the representatives nominated by our member organisations, the Advisory Group membership included Alan Johnson, IFAC President, and Ed Olowo-Okere, Global Director, Governance Global Practice at the World Bank Group. We thank the Advisory Group for their time and valuable input.

¹ 5IR can be summarized as the combination of humans and machines in the workplace.

Key areas being explored as part of the 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 SDGs and 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 made significant progress under the strategy and structure dimension with the PAFA Board approving the following:

- [Strategy for 2022-2024](#), including a new organisational structure
- [Plan for 2022](#), including the budget for 2022
- Activity Plans for the following areas of strategic focus:
 - [PAO Development](#)
 - [Accountancy Learning & Development](#)
 - [Technical Excellence](#)
 - [Accountancy Quality](#)

In the new strategy, public value management is integrated into all the areas of strategic focus. We are in the process of finalising the Activity Plan for this important area.

The PAFA Secretariat, in consultation with the Advisory Group, has developed recommendations under the governance dimension of the Review. Any recommendations that require changes to an organisation's constitution or bylaws require careful attention and extensive consultation. The PAFA Board therefore is of the view that more time is necessary to further develop these recommendations before consulting our member organisations and other key stakeholders. This work will continue during 2022 and 2023 and will also include changes to PAFA policies and procedures.

VI Activities in 2022

Although the focus of this report is 2021, there are a few activities in and matters relating to 2022 that I would like to draw to your attention.

- As mentioned earlier, the profession has a public interest responsibility to engage with the **public sector** to strengthen governance, transparency and accountability.
 - I am therefore delighted that eight countries have expressed interest to become first implementers of the API programme. I congratulate Botswana, Eswatini, Ethiopia, Kenya, Namibia, Tanzania, Uganda, and Zimbabwe for taking this step.
 - In February, I had the pleasure to preside over the 3rd PFM Conference for French-Speaking Countries in Africa, which was presented under the title: *PFM Reforms, The Francophone Agenda*, in Lomé, Togo. In moving from commitment to action, the

conference drew a roadmap for specific actions to be taken by PAOs, Ministries of Finance, Courts of Auditors, and other public institutions to accelerate the reforms, while sustaining the efforts made so far. The roadmap is presented in the conference report, which we have shared with you during this meeting. The report includes a call on various key stakeholders, including PAOs. I encourage our member organisations to play their part in stronger PFM.

- PAFA, ACCA, and PwC joined forces to develop the **State of the Profession in Africa** report, polling 1,750 professionals to capture their views about the accountancy profession's contributions on the continent, as well as the challenges, threats, and opportunities ahead. The report also captures feedback from 110 participants at various business and public sector roundtables, held to capture opinions of experts across Africa. The research was analysed under four themes—capacity building, partnerships, influencing for socio-economic development, and future-readiness of the profession.
 - Focussing on capacity building, technology was the biggest skills gap identified, followed by strategy planning, market intelligence, and performance management.
 - The results revealed a startling paradox for the profession in building ethical and sustainable business while lacking in environmental, social and governance (ESG) acumen. This is limiting the involvement of PAOs and their members in climate change and ESG agendas.
 - The report asserts that partnerships are essential for the profession to be resilient, and offers various calls to action for accountants, PAOs and the many stakeholders in the finance and accountancy ecosystem – including higher education institutions, the business community, the public sector, standard-setters and regulators, governments and policy makers.
- In response to requests for assistance to achieve **IFAC associate or full membership**, PAFA and FIDEF will co-host a series of events in collaboration with IFAC. The *PAFA and FIDEF Masterclass Series for PAO Leadership from French-speaking Countries* will include a two-day in-person workshop on 26 & 28 September 2022 alongside the FIDEF Annual General Meeting and the French Chartered Accountants Congress in Paris, and six two-hour virtual webinars delivered from November 2022 through September 2023. A similar initiative for PAOs in English-speaking countries will follow in 2023.
- In response to requests to support or supplement the **Technical Departments** of our member organisations, PAFA has partnered with SAICA to offer a series of practical implementation workshops on the new *International Standards on Quality Management*, which becomes effective in December 2022. Member Organisations can co-brand these workshops and offer them as their own to their members or circulate the PAFA workshop invitation to all their members.
- As **sustainability reporting and assurance** continues to gain momentum, and as evidence of PAFA's concurrence with the sentiments expressed by IFAC that "the accountancy profession must lead on climate reporting and other material environmental, social and governance disclosures and their assurance", I call on you to save the date 1 – 4 August 2022 for the virtual event on *Collaborating*

for a Resilient Future. This is another event that can be co-branded and offered to your members as your own.

- I am delighted that the PAFA Board has selected the Ordre des Experts Comptables de Côte d'Ivoire to host **ACOA 2023** on 15-18 May 2023 in Abidjan, Côte d'Ivoire. With a focus on the structural transformation and growth of African economies, the Congress will address a number of issues topical to PAOs and their members. I call on you to promote this important event to your members and facilitate their attendance.

We have much more planned for 2022. Please follow us on LinkedIn, visit the PAFA website often, and read our newsletter.

As I draw this report to a close, I wish to submit three important requests to you:

- We acknowledge the immense pressure our member organisations are experiencing as result of the pandemic. For this reason, we discounted the 2020 PAFA subscriptions by 5%. We thank our member organisations that have paid their subscriptions and invite those that are experiencing challenges in doing so to contact the PAFA Secretariat to find a solution.
- The PAFA Secretariat has requested that you submit your membership declaration by 30 June 2022. This information is essential to enable us to develop the budget for 2023. If you have not already done so, please do so without delay.
- PAFA exists for and through you. The extent to which our services is impactful is highly dependent on you being aware and making use of these services. I therefore request our member organisations to ensure that we have the information of their key contact, and that this person is aware of actions to be taken in relation to our communications. Co-branding events with PAFA and offering them to your members as your own, is one way in which you can derive value from our services,

Acknowledgements

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

I thank all our members, associates, affiliates and observers 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 attention.