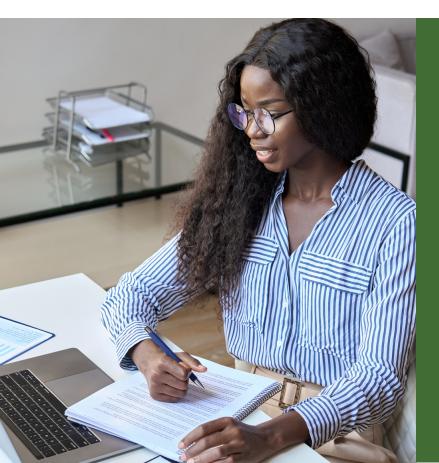
PAFA Value Creation-Effective PAOs



Pan African Federation of Accountants

Building Effective Professional Accountancy Organisations in Africa

When professional accountancy organisations (PAOs) function effectively, they deliver and support quality accountancy professionals who further the quality of governance, financial management, reporting, and auditing, which in turn promotes:



growth and development in the public and private sectors, enhances transparency and accountability in the use of public resources, improves the design and delivery of vital public services, enhances the effectiveness of development assistance, and attracts foreign direct investment.

What is an effective PAO?

An effective PAO ...

- Is sustainable. It is recognised in its jurisdiction; has strong governance, effective management, sufficient human resources, and the necessary infrastructure. It has a strategy, operational plan, and budget. It is financially viability. It has sufficient professional and intellectual capacity to serve the public interest.
- Is relevant. It serves the public and private sectors.
 It serves accountancy professional at all levels
 foundational, intermediary, and advanced. It is responsive to the needs, expectations, and interests of its stakeholders.
 It is a trusted advisor to business, government, and society at large.
- Is credible and trusted. It facilitates initial and continuous development of accountancy professionals. It requires accountancy professionals to act ethically and with integrity. It promotes the adoption and supports the implementation of international standards for reporting, auditing, and assurance. It drives quality of accountancy services through effective processes for quality management and investigation and discipline.



How does PAFA support its member organisations to become effective PAOs?

PAFA harnesses our comparative advantages — integrated Pan African platform for engagement, influential voice, effective convener, expert advisor, knowledge gateway, trusted intermediary — to identify initiatives, develop tools, and support our member organisations on their journey to become effective PAOs. The tables below highlight the Key Success Areas[1] of PAO sustainability, PAO relevance, and PAO credibility, and provides an indication of PAFA's related support, initiatives, and tools available to its member organisations.

Key Success Areas of PAO Sustainability

- Legal and market recognition an acknowledged reason to exist
- Governance oversight, direction, and control arrangements
- Funding and business model a strategy and plans for long-term viability
- Infrastructure and management appropriate systems, process, and people

SUSTAINABILITY

PAFA Services

PAFA Support

- Assisting the PAO with a gap analysis
- Facilitating access to good practices and knowledge sharing to address gaps
- Assisting the PAO with the development of a plan to address the remaining gaps
- Engaging with national stakeholders, development partners, and donors to advance the establishment and recognition of the PAO and national accountancy profession

PAFA Tools

- Strategy Development Roadmap
- Strategy Development Toolkit
- Revenue Policy Toolkit
- ICT Guide for PAOs in Africa
- Call on PAOs to Develop Future-Fit Strategies



Key Success Areas of PAO Relevance

- Membership criteria for admission and levels of membership
- Member involvement member needs and views are understood
- Member services responds to member needs; provides value
- International relationships internationally connected and continually improving
- Public interest generates benefits for all society
- Advocacy and influence recognised voice on topics of relevance

RELEVANCE

PAFA Services

PAFA Support

- Assisting the PAO with a gap analysis
- Facilitating access to good practices and knowledge sharing to address gaps
- Assisting the PAO with the development of a plan to address remaining gaps
- Together with the PAO, engaging with relevant national stakeholders, development partners, and donors to promote the PAO, national accountancy profession, and matters relevant to the profession and the public interest
- Assisting the PAO to engage on national platforms where decisions relevant to the accountancy profession are made
- Assisting the PAO to identify speakers for, or participating in, national events of the PAO

PAFA Initiatives

- · Accounting Technician Qualification for Africa
- African Professionalisation Initiative (partnership with AAAG, AAFA, AFROSAI-E, CREFIAF to strengthen public sector accountancy capacity
- Events on relevant subjects that can be co-branded by the PAO and offered to its membership
- Annual Forum for PAO Chief Executive Officers / Secretary Generals to explore matters relevant to an evolving accounting profession

PAFA Tools

- Public Sector Engagement Framework for PAOs
- IPSAS Implementation Roadmap
- Championing PFM Reforms in Francophone Africa: Moving from Commitment to Action
- Report on the State of the Profession in Africa

Key Success Areas of PAO Credibility

- Professional qualification established required-competency benchmark
- Continuing professional development supports member competency
- Ethics established standards of conduct for accountancy professionals
- Standards international technical standards adopted and implemented
- Quality assurance standards for delivering services to the public
- Investigation and discipline maintains standards of membership

CREDIBILITY

PAFA Services

PAFA Support

- Assisting the PAO with a gap analysis
- Facilitating access to good practices and knowledge sharing to address gaps
- Assisting the PAO with the development of a plan to address remaining gaps
- Together with the PAO, engaging with relevant national stakeholders, development partners, and donors to support the PAO's efforts to facilitate the adoption and implementation of the international standards
- Assisting the PAO to identify speakers for, or participating in, national events of the PAO



PAFA Initiatives

Amplifying Africa's voice on international platforms

- Liaison relations with international standard setting board members from Africa and staff
- Expert advisory groups developing responses to international consultations on behalf of the accountancy profession in Africa
- Formal representation on international platforms[2]

Providing technical support to PAOs

• Events on international consultations and relevant technical subjects that can be co-branded by the PAO and offered to its membership

Advancing accountancy quality

• Providing continental solutions for local challenges, including training for Heads of Quality Assurance Review Departments, training for Quality Assurance Reviewers, and a pool of Quality Assurance Reviewers*

Advancing the mobility of accountancy services

- Facilitating access to good practices and knowledge sharing regarding mutual recognition agreements
- Developing a common core competence framework for future-fit accountants for Africa*

[2] PAFA is currently represented on the following international platforms: Accounting Standards Advisory Forum; Sustainability Standards Advisory Forum; and International Financial Reporting for Not-for-Profit Organisation (IFR4NPO) Technical Advisory Group.

PAFA Tools

Quality of accountancy services

- Guide on Quality Assurance Reviews for PAOs and Regulators*
- PAO Quality Assurance Review System Self-Assessment
- PAO Investigation and Discipline System Self-Assessment

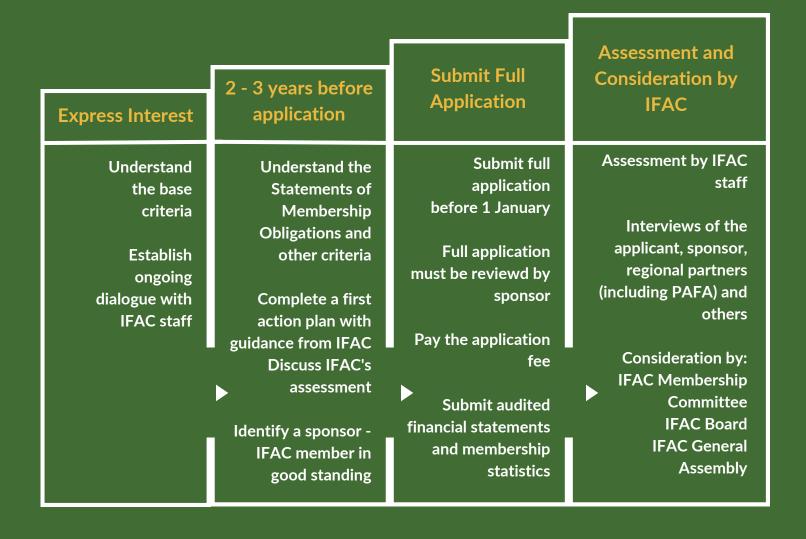
* Currently under development

Mobility of accountancy services

• <u>Report on Journey to AU2063 — Professional</u> <u>Accountants Empower the AfCFTA</u>

From PAFA Membership to IFAC Membership

For many PAFA member organisations the ultimate goal is to become members of the International Federation of Accountants (IFAC). The journey to IFAC membership is presented below.





- Masterclass for PAO leadership journey to IFAC membership
- Assisting the PAO to develop and action plan and completing the IFAC membership application
- Reviewing and advising on the PAO's action plan and IFAC membership application
- Assisting the PAO to identify a suitable sponsor

Not yet a PAFA member or associate?

Act today and join 56 professional accountancy organisations in 45 countries in Africa that are benefiting from PAFA's services to build effective PAOs.

- 1. Express interest via development@pafa.org.za
- 2. Complete the membership application form
- 3. Respond to any questions from and take any actions proposed by the PAFA Board
- 4. Timeline: approximately six to 12 months