



**Pan African Federation of Accountants
Ten-Year Review Recommendations**

**Stakeholder Consultation Paper
November 2023**

Please respond by 16 February 2024

Please make your online submission via this link [\[English\]](#) [\[French\]](#) [\[Portuguese\]](#)

To aid understanding of the recommendations, please register for an information session on

[31 January 2024 from 14:00 – 16:30 GMT +2](#)

or

[7 February 2024 from 14:00 – 16:30 GMT +2](#)

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- [7 February 2024 from 14:00 – 16:30 GMT +2](#)

Only online submission will be considered. Please make your online submission via this link [\[English\]](#) [\[French\]](#) [\[Portuguese\]](#) by 16 February 2024.

In responding to the questions, we strongly encourage respondents to provide reasons for their selection of Yes or No, as well as propose any enhancements.

The final recommendations will be submitted for approval by the PAFA Board on 25 – 26 March 2024. The revised Constitution and Bylaws will be submitted for approval by the General Assembly on 27 June 2024.

Background

During the first ten years, PAFA impressively grew its membership to 56 Member Organisations in 45 countries and five Affiliates; and established its brand in Africa and beyond.

PAFA's 10th anniversary provided a unique opportunity to harness the successes and learnings of the past decade to shape the next decade. To facilitate this, the Board approved the Ten-Year Review, which is following a holistic approach aimed at delivering a governance and operational 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 Ten-Year Review, which commenced early in 2021, is being conducted by the Secretariat under the leadership of the Chief Executive Officer and oversight of the Board. During the Review, the Secretariat was advised by an advisory group chaired by Professor Mervyn King (2021) and a Board ad hoc committee chaired by Keto Kayemba, PAFA President (2022-2023). The final recommendations included in this paper were approved by the Board for consultation with stakeholders.

The Review covers three issues:

1. A PAFA that creates long-term value as an entity and through its member organisations and their individual members—an influencer and trailblazer, contributing to Agenda 2063 and the SDGs
2. The ideal governance structure for PAFA—a lever for value creation
3. PAFA's membership—leading enterprise/public value creation and reporting, including auditing and assurance

The recommendations have been grouped under the three issues listed above. An additional issue addresses the annual subscriptions.

How to Navigate and Respond to the Consultation Paper

Each of the issues starts with the rationale for change, followed by the recommendation(s) and a snapshot of the current position. For additional detail, reference should be made to the PAFA [Constitution](#) and [Bylaws](#).

Stakeholders should submit their comments on the recommendations as a response to the questions posed at the end of each issue. The Question(s) table at the end of each issue can be used as a worksheet **and the responses then transferred to the electronic submission form. Only online submission will be considered. The submission must be made online via this link** [\[English\]](#) [\[French\]](#) [\[Portuguese\]](#).

Information Session

To aid understanding of the recommendations, please register for an **information session** on:

- [31 January 2024 from 14:00 – 16:30 GMT +2](#)

or

- [7 February 2024 from 14:00 – 16:30 GMT +2](#)

Simultaneous English / French interpretation will be available.

Your Voice Matters!

Only online submission will be considered. Please make your online submission via this link [\[English\]](#) [\[French\]](#) [\[Portuguese\]](#) by **16 February 2024**.

In responding to the questions, we strongly encourage respondents to provide reasons for their selection of Yes or No, as well as propose any enhancements.

Issue 1 – A PAFA that creates long-term value

Why is change necessary?

- Member Organisations are questioning PAFA's value proposition. The economic implications of COVID-19 and subsequent global events have exacerbated the situation.
- The risk of Member Organisations disengaging and relations with key stakeholders stagnating is real.
- Most importantly, PAFA and its member organisations have an opportunity to influence and lead developments in enterprise/public value creation, management, reporting and auditing/assurance.

Vision and Mission

In response to the above, the Board revised the vision and mission to represent a PAFA that creates long-term value as an entity and through its member organisations and their individual members—an influencer and trailblazer, contributing to Agenda 2063 and the SDGs.

The **vision** describes what PAFA desires to achieve in the long run. It communicates PAFA's aspirations for the accountancy profession in Africa. It is intended to motivate stakeholders.

Vision
Sustainable value creation to benefit the citizens of Africa.

The **mission** represents PAFA's purpose. It is intended to excite stakeholders about what PAFA does and motivate them to become part of the organisation.

Mission
To strengthen the capacity and influence of the accountancy profession in Africa to enhance trade, the quality of services, and trust in institutions.

The vision and mission were approved by the Board in 2021 and is encapsulated in the Strategy for 2022 2024. It is presented here for purposes of completeness only.

Recommendation

The Board considered whether the **objective statement** in the Constitution [Article II, Section 1] should be revised to be concise and mirror the revised vision and mission.

- 1.1. It is recommended that the current detailed objective statement in the Constitution be retained and amended only to reflect developments since it was published.

Question – Issue 1				
Question	Yes	No	Reason	Proposed Enhancement
1.1 Do you agree that the current detailed objective statement in the Constitution should be retained and amended only to reflect developments since it was published?				

Issue 2 – The ideal governance structure for PAFA—a lever for value creation

Why is change necessary?

- To enhance PAFA’s credibility and—ultimately—its influence and impact by representing global good practices in governance; this is particularly important as PAFA is strengthening Africa’s voice on international platforms and engaging with development partners, donor agencies, and other interested parties to support its activities aimed at benefitting the accountancy profession in Africa
- To adhere to the good practices that PAFA promotes to its member organisations, PAFA’s member organisations promote to their individual members, and professional accountants promote to their clients and employers (“to walk the talk”)
- To ensure a diverse and inclusive governance structure
- To ensure a balanced composition of governing bodies and delegation to management and committees that are future-fit

Recommendations

2.1. **Composition of the General Assembly:** It is recommended that the composition of the General Assembly be amended to reflect the growth and maturity of the organisation. That is:

- Five delegates per Member
- Two delegates per Associate and Affiliate
- Two delegates per Alliance (formerly Observer – see Recommendation 3.2)

Current Position
The size of the delegation is limited to 5 (five) representatives, with no distinction between the membership categories.

2.2. **Composition of the Board:** It is recommended that the composition of the Board be amended to be more representative of the organisation’s membership. That is:

- **Retain** the provision for a Board Member to be a professional accountancy organisation that is a Member of PAFA, with the elected Member identifying a Designated Representative.
- Total of 17 Board Members
 - President and Vice President (**retain** the provision that the President and Vice President do not represent a professional accountancy organisation or a region)
 - Six highest contributing Members (to recognise that the gap between the 5th and 6th highest contributing Members is smaller than the gap between the 6th and 7th highest contributing Members)
 - Members representing the five regions – one seat for ten or less Members in the region; two seats for more than ten Members in the region; based on current membership, this would require seven seats (to recognise that some regions have many more Members than others)
 - Two co-opted Board Members to address language, gender, age, skills gaps; to be individuals (as opposed to Members) to enable targets being achieved

- Among the 17
 - At least three Members from French-speaking countries and one Member from a Portuguese-speaking country (to recognise the multi-lingual nature of PAFA and large number of Members in French-speaking countries)

Current Position
<ul style="list-style-type: none"> ● The Board has 15 Members <ul style="list-style-type: none"> ○ President and Vice President ○ One representative from each of the five highest contributing Members ○ One representative from a Member selected by the Members in each of the five regions ○ One representative from each of the three Members co-opted by the Board ● Both the President and Vice President are deemed not to represent a professional accountancy organisation or region. ● The elected Members identify their respective designated representatives; there is no nominations process. ● Members on the Board are ordinarily represented by their presidents or chief executive officers. When the Member is represented by its president, its representative could be replaced by another representative during the Member's two-year term of office on the Board, for example when the Member's president changes every year.

2.3. **Status of Board Membership:** It is recommended that Board Members be required to remain in good standing during their term. A Member would be deemed in good standing if:

- It is paying its annual subscription in accordance with a payment plan agreed with the Board or a Board Committee; or
- It is discussing with the Board or a Board Committee a matter related to its annual subscription. Payment of any adjusted annual subscription becomes due upon the matter being resolved by the Board.

Current Position
<p>According to the Constitution, only Members in good standing can be nominated to the Board; however, the Constitution does not address the position of Board Members not in good standing.</p>

2.4. **Diversity and Inclusivity:** It is recommended that the diversity and inclusivity of Board Members and Designated Representatives be enhanced. That is:

- Develop a Board election process and nominations guidelines (see Recommendation 2.7).
- Distribute the nominations guidelines in advance of the Board election.
- Request regions to nominate Members for Board membership in advance of the Board election, considering the nominations guidelines.
- Establish a Nominations Committee to guide the election of the President, Vice President, and Board Members (ensuring regional and linguistic representation), and identify potential co-opted Board Members (see Recommendation 2.7).
- Include the following in the nominations guidelines to be approved by the Nominations Committee:
 - Good practice for Board Member rotation within a region, a Board skills matrix, and representational targets, including:
 - A “soft” target of at least 30% female representation on the Board, while launching an initiative to support Members to strengthen female representation in their governance structures.

- A “soft” target of at least 30% Board Members from French-speaking countries, while retaining the requirement for a minimum of three Board Members from French-speaking countries (see Recommendation 2.2).
- A definition for young professionals.
- A requirement for the Nominations Committee to report to the outgoing Board and General Assembly the reasons for any “soft” targets not achieved. This report would be for information only and not open to challenge by the General Assembly.

Current Position

Such practices and guidance do not currently exist.

2.5. **Board Member Term of Office:** It is recommended that the effectiveness of the Board be enhanced through balanced continuity and rotation of Board membership. That is:

- **Retain** the election of a Board every two years.
- Subject the new Board to compulsory induction.
- Develop a Board charter, including but not limited to the following:
 - The Board Member’s designated representative should remain on the Board for the two-year term of office. If not possible, the Board Member should take steps to aid continuity.
 - If the Board Member’s designated representative is an employee (e.g., the chief executive officer or an executive), he/she can serve for a maximum of six years. He/she can return for another six years after a two-year cooling off period.
 - The Board Member’s designated representative can have:
 - One Technical Advisor (TA), ordinarily and employee of the Board Member (e.g., the chief executive officer or an executive) to aid institutional memory; or a person from another Member (e.g., acting as mentor to a Designated Representative from a developing Board Member).
 - One Accompanying Person (AP), e.g., to aid continuity if the Designated Representative is the Board Member’s president and he/she is serving only one year.

Current Position

Such matters are not addressed in the board charter or elsewhere.

2.6. **Election of the Vice President and President:** It is recommended that the effectiveness of the Board be enhanced by subjecting the selection of the Vice President to a nominations process and the succession of the Vice President to President to a recommendation of the Nominations Committee. That is:

- **Retain** the provision for the positions of the President and Vice President to rotate every two years to provide the desired geographical balance, as well as the practice to rotate the presidency among the five regions.
- **Retain** the provision of the Vice President availing himself/herself for the presidency.
- Require the President and Vice President to have prior PAFA experience; this could be in the PAFA Board or any other PAFA Group, or in another form of engagement with PAFA; and provide for deviation in exceptional circumstances.

- Subject the selection of the President and Vice President to a nominations process with the Nominations Committee making a recommendation to the incoming Board for ratification by the General Assembly.

Current Position

- The positions of President and Vice President rotate every 2 years to provide the desired geographical balance.
- The President and Vice President – who is nominated by their professional accountancy organisations – are elected from the Board by the General Assembly.
- The outgoing Vice President might avail himself/herself for the position of President.
- The Vice President can be elected as such in his/her first year as representative on the Board.

2.7. **Board Election Process and Nominations Committee:** It is recommended that a Board election process and a nominations committee be established to guide the election of the President, Vice President, and Board Members (ensuring regional and linguistic representation), and to recommend the co-opted Board Members. The nominations process should promote diversity and inclusivity and encourage the right mix of skills and attributes among the Board membership. That is:

- Establish a Board election process and develop nominations guidelines (as recommended).
- Establish a nominations committee (i.e., a committee of the Board) comprising of the current PAFA President and the five most recent past PAFA Presidents. The minimum membership should be five in case a past President is not available to serve.
- Develop a Board skills matrix to guide Members in identifying Board Members and their designated representatives.
- Issue the nominations guidelines four months before the Board election, including:
 - Information about the nomination of the President and Vice President.
 - Requirements about linguistic representation.
 - Information about gender, age, and skills preferences.
 - A request for regions to submit their identified Board Member and the Designated Representative two months before the Board election.
- Review the nominations for the President and Vice President.
- Consider the identified Board Members and Designated Representatives in the context of linguistic, gender, age, and skills representation.
- Advise on co-opted Board Members.
- Recommend the identified Board Members to the outgoing Board and General Assembly and President and Vice President to the incoming Board for ratification by the General Assembly.

Current Position

- A Board is elected every two years.
- Board membership is comprised of Members, i.e., professional accountancy organisations. The elected Board Members identify their designated representatives on the Board, ordinarily their presidents and occasionally an employee.
- The President and Vice President are elected from among the Designated Representatives.
- The co-opted Board positions are intended to address representational matters such as language and gender.
- No consideration is given to the appropriate mix of experience and expertise among the Board membership. Gender balance and intergenerational balance are not considered.
- There is no nominations committee, Board election process, or nominations guidelines.

- 2.8. **Balance of Power – General Assembly and Board:** It is recommended that the effectiveness of PAFA's governance structure be enhanced through an appropriate balance and clarity of power between the General Assembly and Board, considering the maturity of the organisation. That is:
- The General Assembly should:
 - Be the ultimate governance authority.
 - Delegate power to govern and oversee the operations of PAFA to the Board.
 - Approve:
 - The basis of determination of annual subscriptions.
 - The strategy.
 - The appointment of the Board Members.
 - The appointment of the external auditor.
 - The winding up or dissolution of PAFA.
 - Ratify:
 - The Board's decision regarding the appointment of the President and Vice President.
 - Receive:
 - The annual report, including the audited annual financial statements.
 - The Board should:
 - Have the power to govern and oversee the operations of PAFA.
 - Approve:
 - The membership admission criteria and obligations.
 - The admission, suspension, extension of suspension, and expulsion of Member Organisations.
 - The annual membership subscriptions calculated on the basis approved by the General Assembly.
 - The annual strategy implementation plan and budget.
 - The annual report, including the audited annual financial statements.
 - Policies as set forth in the Constitution or Bylaws.
 - The establishment of committees.
 - The location of PAFA's secretariat and registered office.
 - The appointment, terms and conditions, and performance of the Chief Executive Officer.
 - The Chief Executive Officer's recommended organisational structure, with the Chief Executive Officer implementing the structure within the approved budget and in accordance with any Board-approved policies. That is:
 - Recruitment in accordance with the approved organisational structure.
 - Hiring, with executive positions subject to the approval of the Planning, Human Capital, and Finance Committee (PHCFC).

- Firing, with executive positions subject to discussion with the PHCFC in the case of lack of performance and subject to the approval of the PHCFC in the case of termination for cause.
- Performance evaluation of executive positions subject to discussion with the PHCFC.
- Remuneration of executive positions subject to the approval of the PHCFC.

Current Position	
General Assembly	Board
<ul style="list-style-type: none"> • The General Assembly is the policy-making and governing body of PAFA. The agenda for the Annual General Meeting is as follows: <ul style="list-style-type: none"> ○ Confirmation of the minutes of the previous Annual General Meeting ○ Consideration, confirmation and adoption of the financial statements ○ Appointment of PAFA's auditors and determination of their remuneration ○ Elections to any PAFA office that has become vacant ○ Such other matters at the General Assembly might decide or of which PAFA Members have given notice as set forth in the Constitution • The General Assembly elects the President, Vice President and Board Members. • The General Assembly approves the following: <ul style="list-style-type: none"> ○ Financial contributions by PAFA's membership ○ Suspension or expulsion of a PAFA Member, Associate, Affiliate or Observer based on a recommendation of the Board ○ Financial year of PAFA ○ Amendments to the Constitution and Bylaws ○ Location of PAFA's registered office and secretariat ○ Dissolution of PAFA • The President submits a report on PAFA's activities at the Annual General Meeting. 	<ul style="list-style-type: none"> • The management of PAFA's affairs and business is vested in the Board. • The Board takes all practical steps and exercises all powers to attain PAFA's objective, subject to the provisions of the Constitution and Bylaws and resolutions of the General Assembly. • The Board: <ul style="list-style-type: none"> ○ Admits Members, Associates, Affiliates and Observers ○ Recommends to the General Assembly suspensions and expulsions of membership ○ Recommends to the General Assembly financial contributions by the membership ○ Determines the purposes and uses to which the PAFA funds should be applied ○ Upon the recommendation of the Chief Executive, determines proposals for policy and strategic initiatives, including proposed work programs and goals for the following year ○ Determines the budget for the following year • The Board receives reports on progress against plans approved the previous year and on policy and strategic initiatives. • The Board pays, in certain circumstances as it deems fit, reasonable travelling, subsistence and other expenses incurred in connection with PAFA's affairs by any Member, Associate, Affiliate or Observer or its Board or employee. (Based on the maturity of the organisation, this is handled by the secretariat in accordance with approved policies). • The Board approves and issues to the membership an annual report on the PAFA activities, together with a statement of audited financial statements. • The Board approves and recommends to the General Assembly: <ul style="list-style-type: none"> ○ The location of PAFA's registered office and secretariat ○ Amendments to the Bylaws and Constitution • The Board approves the staff to be hired by the Chief Executive Officer. • The Board approves any other matters reserved in the Constitution and Bylaws for decision by the Board. • The Board takes any action which is in PAFA's general interest and not expressly denied by the Constitution or Bylaws.

2.9. **Balance of Roles and Responsibilities – President, Vice President and Chief Executive Officer:** It is recommended that the effectiveness of PAFA’s governance structure be enhanced through an appropriate balance and clarity of roles and responsibilities between the President, Vice President, and Chief Executive Officer, considering the maturity of the organisation. That is:

- The President should:
 - Be vested with such powers and authorities as bestowed by the General Assembly in accordance with the Constitution, Bylaws, and approved policies.
 - Be the chairperson of the Board and General Assembly.
 - Advise the Chief Executive Officer, advance relations with key stakeholders, and advocate on behalf of PAFA and the public interest.
- The Vice President should:
 - Assist the President in his/her role and carries out the duties of the President when he/she was unavailable.
 - Continue to chair the Planning, Human Capital, and Finance Committee (PHCFC) and – in that capacity – present the recommendations of the PHCFC to the Board.
- In relation to the Chief Executive Officer, the Board should:
 - Appoint the Chief Executive Officer and determine the term, conditions, and remuneration.
 - Delegate to the Chief Executive Officer the functions under the Constitution, Bylaws, and approved policies necessary for the effective transaction of PAFA’s day-to-day business.
 - Review the Chief Executive Officer’s performance annually and approve any change in basic remuneration and any performance remuneration.
- The Chief Executive Officer should report to the Board.
- The Chief Executive Officer should:
 - Be responsible to the Board for the conduct of the day-to-day activities of PAFA.
 - Be the official custodian of PAFA’s properties and funds, with obligation to safeguard and make productive such assets or funds.
 - Administer PAFA’s funds, with all disbursement made in accordance with Board-approved policies.
 - Be the official custodian of PAFA's records and communication.
 - Be the secretary to the Board and General Assembly.
 - Be the head of the Secretariat.
 - Maintain competent staff in accordance with the Board-approved organisational structure and policies – hiring firing, performance as recommended under Board.
 - Submit to the Board an annual strategy implementation plan and budget and periodic reports on achievement of the strategy and the status of assets and funds.

Current Position

- In addition to chairing the meetings of the General Assembly and Board, the Constitution provides for the President to exercise general supervision over all activities of PAFA, represent PAFA on all occasions and in all matters where it should be represented, and perform such other duties as are ordinarily appertaining to his/her office and those that the General Assembly may determine or delegate to him/her.
- The Vice President is vested with such powers and authorities as may be bestowed by the General Assembly or delegated by the President. The Vice President performs all the duties and exercise all the prerogatives of the President during the absence or incapacity of the President.
- The Chief Executive Officer is the secretary to the General Assembly and Board. The Constitution provides for the Chief Executive Officer to be responsible to the President and Board for the conduct of the day-to-day activities of PAFA. The Chief Executive Officer is the Head of the Secretariat with official custody over PAFA's records and communication. The secretariat works under the direction of the Chief Executive Officer to achieve PAFA's objective.
- The Constitution provides for the Board to delegate to the Chief Executive Officer such functions under the Constitution as are necessary for the effective transaction of PAFA's day-to-day business, and for the Chief Executive Officer to hire competent staff with the approval of the Board.
- The Chief Executive Officer is the official custodian of PAFA's properties and funds, with obligation to safeguard and make productive such assets or funds. He/she is required to submit a yearly budget and periodic reports on the status of assets and funds at scheduled Board meetings.
- The Chief Executive Officer administers PAFA's funds; all disbursement of funds must be either through an approved budget or regular or special appropriations approved by the Board.

Question(s) – Issue 2				
Question	Yes	No	Reason	Proposed Enhancement
<p>2.1 Do you agree with the recommended composition of the General Assembly?</p> <ul style="list-style-type: none"> • Five delegates per Member • Two delegates per Associate and Affiliate • Two delegates per Alliance (formerly Observer) 				
<p>2.2.1 Do you agree with the recommended composition of the Board?</p> <p>17 Board Members:</p> <ul style="list-style-type: none"> • President and Vice President (deemed not to represent a Member or region) • Six highest contributing Members • Members representing the five regions – one seat for ten or less Members in the region; two seats for more than ten Members in the region; based on current membership, this would require seven seats, as two regions have more than ten Members each • Two co-opted Board Members, who would be individuals and not Members 				
<p>2.2.2 Do you agree that there should be at least three Members from French-speaking countries and one Member from a Portuguese-speaking country on the Board?</p>				
<p>2.3 Do you agree that Board Members should be required to remain in good standing¹ during their term on the Board?</p>				

¹ A Member would be deemed in good standing if:

- It is paying its annual subscription in accordance with a payment plan agreed with the Board or a Board Committee; or
- It is discussing with the Board or a Board Committee a matter related to its annual subscription. Payment of any adjusted annual subscription becomes due upon the matter being resolved by the Board.

Question(s) – Issue 2

Question	Yes	No	Reason	Proposed Enhancement
<p>2.4 Do you agree with the recommended actions to enhance the diversity and inclusivity of Board Members and their designated representatives?</p> <ul style="list-style-type: none"> • Developing a Board election process and nominations guidelines; and distributing the nominations guidelines to inform and enable nominations of Members in advance of the Board election (see question 2.7.1). • Establishing a Nominations Committee to guide the election of the President, Vice President, and Board Members (ensuring regional and linguistic representation), and identify potential co-opted Board Members (see question 2.7.1). • Establishing good practices for Board Member rotation within a region; Board skills; and Board representation, including young professionals, 30% “soft” target for female representation, and 30% “soft” target for French-speaking country representation, with a requirement for the Nominations Committee to report to the outgoing Board and General Assembly for information the reasons for any “soft” targets not achieved. 				
<p>2.5.1 Do you agree with the recommendation to subject the Board to compulsory induction?</p>				
<p>2.5.2 Do you agree with the recommendation to include the following matters in a Board charter?</p> <ul style="list-style-type: none"> • The Designated Representative should remain on the Board for two years, otherwise the Board Member should take steps to aid continuity. • If the Designated Representative is an employee, he/she can serve for a maximum of six years and can return for another six years after a two-year cooling off period. • The Designated Representative can have one Technical Advisor (TA) and one Accompanying Person. 				
<p>2.6.1 Do you agree with the recommendation to subject the selection of the President and Vice President to a nominations process with the Nominations Committee making a recommendation to the incoming Board for ratification by the General Assembly?</p>				
<p>2.6.2 Do you agree with the recommendation to require the President and Vice President to have prior PAFA experience?</p> <ul style="list-style-type: none"> • This could be in the PAFA Board or any other PAFA Group, or in another form of engagement with PAFA. • Provide for deviation in exceptional circumstances. 				
<p>2.7.1 Do you agree with the recommendation to establish a Board election process and a nominations committee to guide the election of the President, Vice President, and Board Members (ensuring regional and linguistic representation), and to recommend the co-opted Board Members?</p> <ul style="list-style-type: none"> • The nominations committee would be a committee of the Board. • The nominations committee would develop a Board skills matrix to guide Members in identifying Board Members and their designated representatives. 				
<p>2.7.2 Do you agree with the recommended composition of the nominations committee?</p> <ul style="list-style-type: none"> • Current PAFA President 				

Question(s) – Issue 2

Question	Yes	No	Reason	Proposed Enhancement
<ul style="list-style-type: none"> • Five most recent past PAFA Presidents • Minimum membership of four in case a past President is not available to serve 				
<p>2.7.3 Do you agree with the recommended Board election process?</p> <ul style="list-style-type: none"> • Issue the nominations guidelines four months before the Board election, including: <ul style="list-style-type: none"> ○ Information about nomination of the President and Vice President. ○ Requirements about linguistic representation. ○ Information about gender, age, and skills preferences. ○ A request for regions to submit their identified Board Member and the Designated Representative two months before the Board election. • Review the nominations for the President and Vice President. • Consider the identified Board Members and Designated Representatives in the context of linguistic, gender, age, and skills representation. • Advise on co-opted Board Members. • Recommend the identified Board Members to the outgoing Board and General Assembly and President and Vice President to the incoming Board for ratification by the General Assembly. 				
<p>2.8 Do you agree with the balance of power between the General Assembly and Board, considering the maturity of the organisation?</p>				
<p>2.9 Do you agree with the balance of roles and responsibilities between the President, Vice President, and Chief Executive Officer, considering the maturity of the organisation?</p>				

Issue 3 – PAFA’s membership—leading enterprise/public value creation

Why is change necessary?

- The accountancy profession in Africa is well positioned to influence and lead developments in enterprise/public value creation, management, reporting and auditing/assurance on the continent and PAFA—through its 56 Member Organisations and other key stakeholders—is well positioned to facilitate this change
- However, to drive change, PAFA would have to strengthen its membership criteria and obligations and potentially monitor compliance (e.g., similar to the IFAC Statements of Membership Obligations and IFAC Compliance Program) in the future

Recommendations

3.1. **Membership categories, criteria, obligations and rights:** It is recommended that:

- The membership categories, criteria, obligations and rights, are clearly defined, considering the maturity of the organisation and recognising the reliance stakeholders derive from a professional accountancy organisation’s membership of PAFA.
- Membership categories are limited to Members, Associates, and Affiliates that have been admitted as set forth in the Constitution and Bylaws and have not withdrawn or been expelled as set forth in the Constitution and Bylaws.

3.1.1. **Membership categories:**

- A **Member** shall be a national professional accountancy organisation that:
 - Is established in Africa,
 - Supports PAFA’s objectives set forth in the Constitution,
 - Is recognised by national decree as a national representative body for all or any of the following segments of the accountancy profession: (a) accountants in practice, (b) accountants in business, (c) accountants in public sector, and (d) accountants in education,
 - Has fee-paying members among its membership,
 - Meets the Member criteria set forth in the Bylaws, and
 - Meets any additional Member requirements established by the Board.
- An **Associate** shall be a national professional accountancy organisation that:
 - Is established in Africa,
 - Supports PAFA’s objectives set forth in the Constitution,
 - Might not yet be recognised by national decree as a national representative body for all or any of the following segments of the accountancy profession: (a) accountants in practice, (b) accountants in business, (c) accountants in public sector, and (d) accountants in education, but is taking steps in this regard,
 - Might not yet have fee-paying members among its membership but is taking steps on this regard,
 - Meets the Associate criteria set forth in the Bylaws, and
 - Meets any additional Associate requirements established by the Board.
- An **Affiliate** is a professional accountancy organisation that:

- Is not based in Africa,
 - Supports the objectives of PAFA,
 - Meets the Affiliate criteria set forth in the Bylaws, and
 - Meets any additional Affiliate requirements established by the Board.
- **A fee-paying member of a national professional accountancy organisation** is an individual who holds a professional qualification or equivalent awarded by the organisation, has paid his/her membership fees to the organisation in full, and is eligible to vote at the annual general meeting of the organisation.

3.1.2. Membership criteria:

Membership Criteria	Members	Associates	Affiliates
Has an appropriate governance structure and is operationally and financially viable	Yes	Is taking steps	Yes
Has an operating structure that provides for the initial professional development, continuous professional development, and regulation of its members	Yes	Is taking steps	Yes
Requires its members to comply with a code of ethics	Yes	Is taking steps	Yes
Has the financial capacity to pay its annual subscription to PAFA	Yes	Yes	Yes

3.1.3. Membership obligations:

Membership Obligations	Members	Associates	Affiliates
Abide by the relevant provisions of the Constitution and Bylaws and additional requirements established by the Board	Yes	Yes	Yes
Provide reliable information when requested, including information that will enable the assessment of annual subscriptions	Yes	Yes	Yes
Pay annual subscriptions in accordance with the requirements set forth by the Board	Yes	Yes	Yes
Promote the adoption and support the implementation of the International Education Standards and the pronouncements of the IASB, ISSB, IPASB, IAASB, and IESBA in the jurisdiction	Yes	Is taking steps	Yes
Take actions to advance from Associate to Member status	-	Yes	-

3.1.4. Membership rights:

Membership Rights	Members	Associates	Affiliates
Be represented at General Assembly meetings	Yes - maximum 5 representatives	Yes - maximum 2 representatives	Yes - maximum 2 representatives
If in good standing, participate in the deliberations at General Assembly meetings	Yes	Yes	By invitation of the chairperson
If in good standing, vote at General Assembly meetings	Yes	No	No

Membership Rights	Members	Associates	Affiliates
If in good standing, nominate individuals to the Board and any other Board Committee or PAFA Group	Yes	No	No
Observe Board meetings	Only when invited by the chairperson to address a specific matter on the agenda		

Current Position

- Currently the membership categories are defined as follows:
 - **Members** are described as national professional accountancy organisations that are established in Africa, have fee-paying professionally qualified accountants among their members, and is a representative national body for all or any of the following segments of the accountancy profession: accountants in practice, accountants in business, accountants in the public sector, and accountants in education.
 - **Associate** status is open to professional accountancy organisations that do not meet the Member admission criteria, but that support the mission of PAFA; demonstrate evidence of compliance with additional criteria and procedures established by the Board; have the financial capacity to make and make the contributions determined by the Board; and abide by the provisions of the Constitution and Bylaws.
 - **Affiliates** are internationally recognised professional accountancy organisations that are not based in Africa and supportive of the aspirations of PAFA.
- Currently membership rights and obligations are described as followed:
 - **Members** are entitled to be represented, present business and participate at General Assembly meetings and vote in accordance with the provisions of the Constitution. Members are obliged to subscribe to the objectives of PAFA; support the work of PAFA; make financial contributions as determined by the Board; and agree to abide by the provisions of the Constitution and Bylaws.
 - **Associates** are entitled to be represented, present business and participate at General Assembly meetings, but are not entitled to vote. Associates are obliged to subscribe to the objectives of PAFA; support the work of PAFA; make such financial contribution as determined by the Board; and agree to abide by the provisions of the Constitution and By-laws.
 - **Affiliates** are obliged to be supportive of the aspirations of PAFA.

3.2. **Observers:** Based on the maturity of the organisation, it is recommended that Observers be removed as a membership category as they are not the same type of organisation and does not pay annual subscriptions. That is:

- Recognise Observers separately as they play a key role in PAFA.
- Replace the term Observer with the term Alliance.
- Define an **Alliance** as an organisation other than a Member, Associate, or Affiliate that agrees to collaborate with PAFA towards common objectives by leveraging each other's strengths, resources, and expertise to achieve outcomes of common interest. The relationship is formalised through a Collaboration Agreement. Alliances include but is not limited to development organisations, economic groupings, groupings of professional accountancy organisations, public sector groupings, education groupings, and other groupings supportive of PAFA's objectives. Alliances also include corporate sponsors.
- Alliance status should cease when the Alliance voluntarily withdraws from the Collaboration Agreement, or the Board concludes that PAFA and the organisation no longer have common objectives.
- Alliances should have the right to attend General Assembly meetings (limited to two representatives). Alliances participate in the deliberations only when invited by the General Assembly chairperson; they are not entitled to vote.
- Alliances attend Board meetings only when invited by the Board chairperson to address a specific matter on the agenda.

Current Position

- Observers are development organisations, African economic groupings, African based groupings supportive of governance, financial management, accountability and transparency or similar entities which are supportive of the aspirations of PAFA.
- Observers are a membership category with the same application, suspension and expulsion provision as for the other membership categories.
- Observers have the same rights as Associates and Affiliates.
- Observers do not pay annual subscriptions.

3.3. **Suspension and Expulsion:** It is recommended that the suspension and expulsion provisions be simplified. That is:

- A Member, Associate, or Affiliate may be suspended by the Board for the following causes:
 - Failure to pay its annual subscription in full prior to the date of the Annual General Meeting following the date on which such subscription became due, except as provided below;
 - Failure to maintain compliance with the membership criteria and obligations set forth in the Constitution and Bylaws and the requirements established by the Board; or
 - Acts bringing PAFA or the accountancy profession into disrepute.
- A Member, Associate, or Affiliate should not be suspended by the Board in the following circumstances (Exception):
 - It is paying its annual subscription in accordance with a payment plan approved by the Board or a Board Committee; or
 - It is discussing with the Board or a Board Committee a matter related to its annual subscription. Payment of any adjusted annual subscription becomes due upon the matter being resolved by the Board.
- A suspended Member, Associate, or Affiliate is deemed not in good standing, but will continue to retain its membership status. A Member, Associate, or Affiliate subjected to the Exception is deemed to be in good standing unless it does not adhere to the payment plan or does not pay its adjusted annual subscription in full after the Board has resolved the matter.
- A Member, Associate, or Affiliate should be suspended for the period commencing with the Board's approval of the suspension and ending at the start of the Annual General Meeting in the year following the year in which the Board approved the suspension. (Suspension Period)
- At the end of the Suspension Period, the Board should approve either an extension of the Suspension Period or expel the Member, Associate, or Affiliate.
- If the infraction that resulted in suspension is cured during the Suspension Period, the suspension should be rescinded, effective as of the date of cure.
- If a Member, Associate, or Affiliate is expelled by the Board based on non-payment of annual subscriptions, it should be reinstated if all outstanding subscriptions are paid within two years after expulsion; such outstanding subscriptions include subscriptions for the expulsion period.

Current Position

- Procedures for suspending and expelling a Member, Associate, Affiliate or Observer based on non-payment of the annual subscription—action can be taken if the annual subscription is not paid within 4 months after it became due:
 - Step 1: A copy of a motion signed by 3 Board members is served on the body.
 - Step 2: After three months, the motion is presented to the Board and the Board may by simple majority decide to suspend the body.
 - If the body does not pay the annual subscription by the next meeting of the Board, it ceases to be a Member, Associate, Affiliate or Observers, unless the Board decides otherwise.
- Procedures for suspending and expelling a Member, Associate, Affiliate or Observer for noncompliance with membership criteria and obligations or for acts bringing the profession into disrepute:
 - Step 1: A copy of a motion signed by 3 Board members is served on the body.
 - Step 2: After 3 months, the motion is presented to the Board and the Board may by simple majority decide to suspend the body; the Board has the power to recommend to the General Assembly that the Member, Associate, Affiliate or Observers be expelled

3.4. **Membership application and compliance:** It is recommended that effective membership application and compliance processes be established to sustain the brand value attached to being a Member, Associate, or Affiliate of PAFA. That is:

- Use a detailed self-assessment form for Associate / Member applications, drawing on the IFAC membership application form, to enable a better understanding of the status of the professional accountancy organisation's development, gather information for PAFA's database on the status of professional accountancy organisation development in Africa, identify the needs of the professional accountancy organisation, and – ultimately – advise on actions necessary to become an IFAC member organisation. **The intention is not to exclude professional accountancy organisations from PAFA membership but rather to inform actions necessary to develop them after becoming an Associate / Member.**
- Establish a Membership Committee to advise the Secretariat on new membership applications and inform the recommendation to the Board. The Membership Committee is a committee of the Board.
- To strengthen PAFA's initiative to establish a formal Professional Accountancy Organisation Partnership Programme, require membership applicants to identify and engage with a sponsor.
 - The Secretariat would be actively involved in identifying an appropriate sponsor.
 - A sponsor would be a Member of PAFA in good standing.
 - The sponsor would advise on the completion of the membership application form; however, if the applicant is a developing professional accountancy organisation, the intention would be to identify and engage with a sponsor that could support the development of the organisation.

Where there is already a Member in good standing in the country of the applicant, such Member should be the sponsor. If for any reason such Member is not able / willing to be the sponsor, such Member should be able to submit a comment on the application to the Membership Committee.

- Establish a new membership application process:
 - Professional accountancy organisation to express interest to become an Associate / Member – 1 September Y1
 - Professional accountancy organisation to submit membership application form – 1 January Y2
 - Membership Committee to review Secretariat's assessment of application – Q2 Y2

- Board to approve new membership based on recommendation from the Membership Committee – Q3 Y2
- Take steps to establish a foundation for a future membership compliance programme.
 - July – December 2024: All Members and Associates that are not IFAC Members or Associates to perform a self-assessment. IFAC Members and Associates can use the information prepared under the IFAC Membership Compliance Programme.
 - January – June 2025: All Members and Associates that are not IFAC Members or Associates to develop plans to address any identified gaps.
 - July – December 2025: Secretariat to analyse development plans and identify gaps that are pervasive and can be addressed at a continental level. Use this information to shape the relevant PAFA Activity Plans for 2026 and beyond, engage with development partners and donors, and identify professional accountancy organisation partnership opportunities.
 - January – June 2026: Establish formal professional accountancy organisation partnerships to enable more developed professional accountancy organisation to support less developed professional accountancy organisation.

Current Position
<ul style="list-style-type: none"> ● Currently, the Secretariat uses a brief application form and a scoring matrix to assess a professional accountancy organisation’s PAFA membership application and recommend to the Board whether to admit the organisation as a Member or Associate. The application form provides limited information. ● Information about the status of professional accountancy organisation development in Africa is collected on an ad hoc basis. A comprehensive plan for professional accountancy organisation development is lacking. A few informal professional accountancy organisation partnerships exist.

Question(s) – Issue 3				
Question	Yes	No	Reason	Proposed Enhancement
<p>3.1.1.1 Do you agree with the recommended description of a Member?</p> <ul style="list-style-type: none"> ● A professional accountancy organisation that is established in Africa ● Supports PAFA’s objectives set forth in the Constitution ● Is recognised by national decree as a national representative body for all or any of the following segments of the accountancy profession: (a) accountants in practice, (b) accountants in business, (c) accountants in public sector, and (d) accountants in education ● Has fee-paying members among its membership ● Meets the Member criteria set forth in the Bylaws ● Meets any additional Member requirements established by the Board 				
<p>3.1.1.2 Do you agree with the recommended description of an Associate?</p> <ul style="list-style-type: none"> ● A professional accountancy organisation that is established in Africa ● Supports PAFA’s objectives set forth in the Constitution ● Might not yet be recognised by national decree as a national representative body for all or any of the following segments of the accountancy profession: (a) accountants in practice, (b) 				

Question(s) – Issue 3

Question	Yes	No	Reason	Proposed Enhancement
<p>accountants in business, (c) accountants in public sector, and (d) accountants in education, but is taking steps in this regard</p> <ul style="list-style-type: none"> • Might not yet have fee-paying members among its membership but is taking steps on this regard • Meets the Associate criteria set forth in the Bylaws • Meets any additional Associate requirements established by the Board 				
<p>3.1.1.3 Do you agree with the recommended description of an Affiliate?</p> <ul style="list-style-type: none"> • A professional accountancy organisation that is not based in Africa • Supports the objectives of PAFA • Meets the Affiliate criteria set forth in the Bylaws • Meets any additional Affiliate requirements established by the Board 				
<p>3.1.1.4 Do you agree with the description of a fee-paying member of a national professional accountancy organisation?</p> <ul style="list-style-type: none"> • An individual who holds a professional qualification or equivalent awarded by the organisation, has paid his/her membership fees to the organisation in full, and is eligible to vote at the annual general meeting of the organisation 				
<p>3.1.2 Do you agree with the recommended membership criteria?</p>				
<p>3.1.3 Do you agree with the recommended membership obligations?</p>				
<p>3.1.4 Do you agree with the recommended membership rights?</p>				
<p>3.2 Do you agree with the recommendation to remove Observers as a membership category and instead recognise them as set out below?</p> <ul style="list-style-type: none"> • Recognise Observers separately as they play a key role in PAFA. • Replace the term Observer with the term Alliance. • Define an Alliance as an organisation other than a Member, Associate, or Affiliate that agrees to collaborate with PAFA towards common objectives by leveraging each other's strengths, resources, and expertise to achieve outcomes of common interest. The relationship is formalised through a Collaboration Agreement. • Alliances include but is not limited to development organisations, economic groupings, groupings of professional accountancy organisations, public sector groupings, education groupings, and other groupings supportive of PAFA's objectives. Alliances also include corporate sponsors. • Alliance status should cease when the Alliance voluntarily withdraws from the Collaboration Agreement, or the Board concludes that PAFA and the organisation no longer have common objectives. • Alliances should have the right to attend General Assembly meetings (limited to two representatives). Alliances participate in the deliberations only when invited by the General Assembly chairperson; they are not entitled to vote. 				

Question(s) – Issue 3

Question	Yes	No	Reason	Proposed Enhancement
<ul style="list-style-type: none"> Alliances attend Board meetings only when invited by the Board chairperson to address a specific matter on the agenda. 				
<p>3.3.1 Do you agree with the recommended causes for membership suspension?</p> <ul style="list-style-type: none"> Failure to pay the annual subscription in full prior to the date of the Annual General Meeting following the date on which such subscription became due, except (Exception): <ul style="list-style-type: none"> If the organisation is paying its annual subscription in accordance with a payment plan approved by the Board or a Board Committee. If the organisation is discussing with the Board or a Board Committee a matter related to its annual subscription. Payment of any adjusted annual subscription becomes due upon the matter being resolved by the Board. Failure to maintain compliance with the membership criteria and obligations set forth in the Constitution and Bylaws and the requirements established by the Board. Acts bringing PAFA or the accountancy profession into disrepute. <p>A suspended Member, Associate, or Affiliate is deemed not in good standing, but will continue to retain its membership status. If subjected to the Exception, it is deemed to be in good standing unless it does not adhere to the payment plan or does not pay its adjusted annual subscription in full after the Board has resolved the matter.</p>				
<p>3.3.2 Do you agree with the recommended process for membership suspension and expulsion?</p> <ul style="list-style-type: none"> A Member, Associate, or Affiliate should be suspended for the period commencing with the Board's approval of the suspension and ending at the start of the Annual General Meeting in the year following the year in which the Board approved the suspension. (Suspension Period) At the end of the Suspension Period, the Board should approve either an extension of the Suspension Period or expel the Member, Associate, or Affiliate. If the infraction that resulted in suspension is cured during the Suspension Period, the suspension should be rescinded, effective as of the date of cure. If a Member, Associate, or Affiliate is expelled by the Board based on non-payment of annual subscriptions, such organisation should be reinstated if all outstanding subscriptions are paid within two years after expulsion; such outstanding subscriptions include subscriptions for the expulsion period. 				
<p>3.4.1 Do you agree with the recommendation to use a detailed self-assessment form for Associate / Member applications, drawing on the IFAC membership application form, to enable a better understanding of the status of the professional accountancy organisation's development, gather information for PAFA's database on the status of professional accountancy organisation development in Africa, identify the needs of the professional accountancy organisation, and – ultimately – advise on actions necessary to become an IFAC member organisation?</p>				

Question(s) – Issue 3

Question	Yes	No	Reason	Proposed Enhancement
<p>3.4.2 Do you agree with the recommendation to establish a Membership Committee to advise the Secretariat on new membership applications and inform the recommendation to the Board?</p> <ul style="list-style-type: none"> The Membership Committee is a committee of the Board. 				
<p>3.4.3 Do you agree with the recommendation to require membership applicants to identify and engage with a sponsor?</p> <ul style="list-style-type: none"> The Secretariat would be actively involved in identifying an appropriate sponsor. A sponsor would be a Member in good standing of PAFA. The sponsor would advise on the completion of the membership application form; however, if the applicant is a developing professional accountancy organisation, the intention would be to identify and engage with a sponsor that could support the development of the organisation. Where there is already a Member in good standing in the country of the applicant, such Member should be the sponsor. If for any reason such Member is not able / willing to be the sponsor, such Member should be able to submit a comment on the application to the Membership Committee. 				
<p>3.4.4 Do you agree with the recommendation to establish a new membership application process?</p> <ul style="list-style-type: none"> Professional accountancy organisation to express interest to become an Associate / Member – 1 September Y1 Professional accountancy organisation to submit membership application form – 1 January Y2 Membership Committee to review Secretariat’s assessment of application – Q2 Y2 Board to approve new membership based on recommendation from Membership Committee – Q3 Y2 				
<p>3.4.5 Do you agree with the recommended steps to establish a foundation for a future membership compliance programme?</p> <ul style="list-style-type: none"> July – December 2024: All Members and Associates that are not IFAC Members or Associates to perform a self-assessment. IFAC Members and Associates can use the information prepared under the IFAC Membership Compliance Programme. January – June 2025: All Members and Associates that are not IFAC Members or Associates to develop plans to address any identified gaps. July – December 2025: Secretariat to analyse development plans and identify gaps that are pervasive and can be addressed at a continental level. Use this information to shape the relevant PAFA Activity Plans for 2026 and beyond, engage with development partners and donors, and identify professional accountancy organisation partnership opportunities. January – June 2026: Establish formal professional accountancy organisation partnerships to enable more developed professional accountancy organisation to support less developed professional accountancy organisation. 				

Additional Issue – Annual Subscriptions

Why is change necessary?

- PAFA’s member organisations continue to experience the negative social and economic implications of COVID-19 alongside new global events with similar negative implications and the devaluation of national currencies against the United States Dollars. This affects Member Organisations’ service delivery to their members and ability to pay PAFA’s annual subscriptions.
- PAFA’s brand is recognised among continental and global stakeholders, increasing its ability to influence on behalf of the accountancy profession in Africa. PAFA is also well placed to provide continental solutions to challenges faced by national professional accountancy organisations, including institutional capacity building, adoption and implementation of international standards, implementation of quality assurance review systems and investigation and disciplinary systems, etc. Nevertheless, without sufficient funding, PAFA is not able to sustain and enhance its service delivery to its member organisations.
- Approximately 20% of PAFA’s member organisations contribute approximately 80% of PAFA’s revenue, while the remaining 80% of PAFA’s member organisations, contributing 20% of PAFA’s revenue, are likely to benefit to a greater extent from PAFA’s service delivery.

Recommendations

- 4.1. **Annual Subscriptions:** It is recommended that the Secretariat explore alternative methods to assess the annual subscriptions that are considered fair and sustainable by its member organisations, while seeking alternative sources of funding to sustain and enhance PAFA’s service delivery.

Current Position

- **Basis for assessment: Fixed fee per fee-paying member (FPM)**
 - USD 10 for Members and USD 7.50 for Associates since inception of PAFA (USD 10 in 2011 is equivalent in purchasing power to USD 13.55 today)
 - Affiliates pay USD 20,000 per year
- Fee-paying Member
 - Holds professional qualification awarded by the professional accountancy organisation
 - Has paid annual membership fee in full (challenge: could cause unexpected variation, particularly in financially challenging years, such as COVID-19)
 - Eligible to vote at annual general meeting of the professional accountancy organisation (note: excludes Accounting Technicians in most instances)
- Member Organisations are requested to declare number of fee-paying members annually
 - To calculate 2024 subscriptions, Member Organisations declare 2022 number of fee-paying members in 2023
 - Challenge: low rate of declaration; declared numbers not always verifiable
- Discounts approved by the Board to ease the financial challenges posed by COVID-19
 - 2021: -10%
 - 2022: -5%
 - 2023: -2.5%
- Other adjustments
 - Late correction of number of FPM
 - Financial hardship discounts
 - Currency devaluation of more than 50% in two consecutive years
 - Payment plans to address limited access to USD at national level

Matters Considered

- The Secretariat identified **Revenue** and **Membership Number** as key indicators of professional accountancy organisations' capacity to pay annual subscriptions. Both these indicators are used in the IFAC dues assessment. The PAFA annual subscriptions assessment is based on Membership Numbers.
 - In the case of **Revenue**, it would be important to consider both Membership Fees and Other Revenue as some professional accountancy organisations might charge a high Membership Fee and not charge (or charge a low fee) for other services, while other professional accountancy organisations might charge a low Membership Fee and charge for other services. Furthermore, some professional accountancy organisations might earn examination fees, while in other countries the professional qualification examination might be delivered by another organisation.
 - In the case of **Membership Number**, a challenge is that the membership of some professional accountancy organisations includes all professional accountants, while the membership of other professional accountants includes only professional accountants in public practice.
 - Currently, PAFA's member organisations are slow to declare their numbers of FPM, with less than 40% declaring in 2022 and less than 50% in 2023. It is therefore uncertain whether the Member Organisations would submit Revenue-related information in a timely manner.
- The Secretariat considered various options using **Number of Fee-paying Members**.

Options	Implications for Budget ²	Advantages / Disadvantages
Status quo	USD 130,000 shortfall	Places undue burden on largest / more developed Members, while smaller / developing Members benefit more from PAFA services
Option 1: Minimum subscription A. Members: Status quo with minimum subscription of USD 3,000 Associates: USD 3,000 Affiliates: USD 20,000 B. Members: Status quo with minimum subscription of USD 5,000 Associates: USD 5,000 Affiliates: USD 20,000	A. USD 90,000 shortfall B. USD 20,000 shortfall	<ul style="list-style-type: none"> • Has the lowest budget shortfall • Recognises PAFA services rendered to smaller / developing Members but does not provide any relief to the largest / more developed Members
Option 2: Minimum and maximum subscription A. Members: Minimum subscription of USD 3,000 and maximum subscription of USD 175,000 Associates: USD 3,000 Affiliates: USD 20,000 B. Members: Minimum subscription of USD 5,000 and maximum subscription of USD 150,000 Associates: USD 5,000 Affiliates: USD 20,000	A. USD 245,000 shortfall B. USD 226,000 shortfall	<ul style="list-style-type: none"> • Recognises PAFA services rendered to smaller / developing Members and provides relief to largest / more developed Members. • Has the largest budget shortfall; however, changing the minimum and / or maximum could reduce the shortfall
Option 3: Members: Fixed subscription based on range of Number of FPM Associates: USD 5,000 Affiliates: USD 20,000	USD 180,000 shortfall	<ul style="list-style-type: none"> • Recognises PAFA services rendered to smaller / developing Members and provides relief to largest / more developed Members. • Mitigates to some extent the issue relating to the completeness / accuracy of declared data, as the range allows for declarations to be made, say, every three years. A lower frequency of declarations would allow time for verification of declared data.

- The Secretariat also considered an option aimed at addressing national currency devaluation against the USD, and concluded that the option was not viable due to complexity and foreign exchange risk being transferred to PAFA.
- The Secretariat expressed a preference for **Option 3 with additions**:

² Assuming a total expense budget of USD 1,350,000.

- Members: Fixed subscription based on range of Number of Fee-paying Members (see table below)
- Associates: USD 5,000
- Affiliates: USD 20,000

Number of Fee-Paying Member Range	Fixed Subscription (USD)
1 to 999	5 000
1 000 to 1 999	10 000
2 000 to 2 999	20 000
3 000 to 3 999	30 000
4 000 to 4 999	40 000
5 000 to 7 499	50 000
7 500 to 9 999	75 000
10 000 to 14 999	100 000
15 000 to 19 999	150 000
20 000 to 24 999	200 000
25 000 to 29 999	250 000
30 000 to 34 999	300 000
35 000+	350 000

Examples:

A PAO with 1 500 members, will fall in the 1 000 – 1 999 range and therefore pay USD 10,000.

A PAO with 30 500 members would fall in the 30 000 – 34 999 range and therefore pay USD 300,000.

- Phase new method in over a three-year period to allow for diversification in revenue sources over the same period to address the budget shortfall.
- Member Organisations to declare Number of Fee-paying Members every three years, with the Secretariat verifying the accuracy of the declarations.
- Action to address national currency devaluation against the USD: If a Member / Associate pays when the subscription becomes due, limit national currency devaluation to 15%. For every month of late payment, add 5% to the national currency devaluation limit.
- Find solutions to complex ad hoc situations as they arise.
- Find additional value for the highest contributing Members, including:
 - Free 2nd tier ACOA sponsorship for Members with subscriptions of USD 200,000+ (when fully paid; paid in accordance with payment plan)
 - Free 3rd tier ACOA sponsorship for Members with subscriptions of USD 150,000+ (when fully paid; paid in accordance with payment plan)
 - Free 4th tier ACOA sponsorship for Members with subscriptions of USD 100,000+ (when fully paid; paid in accordance with payment plan)

Question(s) – Additional Issue				
Question	Yes	No	Reason	Proposed Enhancement
4.1.1 Do you agree with the recommendation that the method of assessing the annual subscriptions should be reviewed?				
4.1.2 Kindly help to identify the most appropriate key indicators of Member Organisations' capacity to pay annual subscriptions. Select your preferred key indicator(s) and add any additional key	-	-		

Question(s) – Additional Issue				
Question	Yes	No	Reason	Proposed Enhancement
<p>indicators. In responding to this question, please consider the ease of PAFA collecting the relevant data from Member Organisations in a timely manner.</p> <p><input type="checkbox"/> Revenue</p> <p><input type="checkbox"/> Membership Number</p> <p>Other:</p>				
<p>4.1.3 Please rank your preferred option for assessing annual subscriptions in the future where 1 is your most preferred option and 4 is your least preferred option. Kindly also share any other method you believe would be fair and sustainable for Member Organisations.</p> <p><input type="checkbox"/> Status quo</p> <p><input type="checkbox"/> Status quo with minimum subscription</p> <p><input type="checkbox"/> Status quo with minimum and maximum subscription</p> <p><input type="checkbox"/> Fixed subscription based on range of Number of Fee-paying Members</p> <p>Other:</p>	-	-		
<p>4.1.4 What do you see as the major advantages and disadvantages of the Secretariat's preferred option? That is: fixed subscription based on range of Number of Fee-paying Members</p> <p>Advantages:</p> <p>Disadvantages:</p>	-	-		
<p>4.1.5 Do you agree with the action recommended to address national currency devaluation against the USD? That is:</p> <ul style="list-style-type: none"> If a Member / Associate pays when the subscription becomes due, limit national currency devaluation to 15%. For every month of late payment, add 5% to the national currency devaluation limit. 				
<p>4.1.6 Do you agree with the recommendation to find a solution to a complex ad hoc situation that affects a Member Organisation's ability to pay its annual subscription?</p> <ul style="list-style-type: none"> Recognising that it is not possible to design a method that would fit all circumstances. 				
<p>4.1.7 Do you agree with the recommendation to find additional value for the highest contributing Members? Including:</p> <ul style="list-style-type: none"> Free 2nd tier ACOA sponsorship for Members with subscriptions of USD 200,000+ (when fully paid; paid in accordance with payment plan) Free 3rd tier ACOA sponsorship for Members with subscriptions of USD 150,000+ (when fully paid; paid in accordance with payment plan) Free 4th tier ACOA sponsorship for Members with subscriptions of USD 100,000+ (when fully paid; paid in accordance with payment plan) <p>Please state any other ways in which additional value could be derived:</p>				

Question(s) – Additional Issue				
Question	Yes	No	Reason	Proposed Enhancement
4.1.8 What other advice do you have regarding the assessment of the annual subscription?	-	-		