



ACCOUNTANCY QUALITY ADVISORY GROUP

TERMS OF REFERENCE AND OPERATING PROCEDURES

In 2022, the Secretariat developed a new activity to enhance the quality of accountancy services in Africa (referred to as *accountancy quality* in this terms of reference). This new activity includes the following mechanisms through which to implement PAFA's strategy to enhance accountancy quality:

- **Accountancy Quality Advisory Group**
- Forum to Advance Accountancy Quality in Africa

As the CEO is accountable to the Board for the implementation of the strategy, the functionality of these mechanisms is overseen by the CEO.

Purpose

1. The purpose of the Accountancy Quality Advisory Group (AQ_AG) is to support the Secretariat to implement PAFA's strategy to enhance the accountancy quality.

Responsibilities

2. The AQ_AG is responsible for supporting the Secretariat by:
 - 2.1. Drawing on input from the Forum to Advance Accountancy Quality in Africa to:
 - a) Advise on the development of PAFA's strategy to enhance accountancy quality.
 - b) Advise on and support the Secretariat's activities to implement the strategy.
 - 2.2. Contributing to activities aimed at creating awareness and supporting the adoption of relevant pronouncements, particularly the International Standards on Quality Management (ISQM), International Standard on Auditing (ISA) 220 (Revised), and the IFAC Statements of Membership Obligations (SMOs) 1 and 6.
 - 2.3. Contributing to activities aimed at supporting the implementation of these pronouncements, including events, tools, and training.
 - 2.4. Contributing to activities aimed at strengthening Africa's voice in relevant regional and international structures by:

- a) Identifying ideal candidates to represent Africa in these structures.
- b) Informing participation in these structures.
- c) Contributing to consultations issued by these structures.

2.5. Advising on thought leadership and research opportunities.

Composition and Membership

3. The AQ_AG is comprised of not less than 5 members. Members have relevant expertise and experience and are well suited to fulfil the responsibilities set out above. Members are diverse and geographically balanced.
4. The Secretariat issues a call for nominations for membership on 1 July every year¹. Such membership commences on 1 January in the following year.
5. Until such time as PAFA has established a Nominating Committee, the Nominating Panel established under the Technical Excellence Activity considers the nominations and identify a chairperson and members for recommendation to the Board.

Term of Office

6. The members serve for three years, renewable once². The chairperson serves for three years, renewable once (irrespective of his/her service as member).
7. The Nominating Panel reviews the participation and contribution of individual members (with reference to their annual performance evaluations—see paragraph 9) along with the overall membership size and composition as a basis for membership renewal. Vacancies arise when a member's term comes to an end, the member resigns or—based on the Nominations Panel's assessment—is no longer able to commit, participate, or contribute at the expected level. Members who wish to resign does so in writing to the CEO.
8. Members promptly advise the CEO if their role and affiliation change.

Performance Evaluation

9. The AQ_AG evaluates its performance annually in the spirit of continuous improvement. In addition, the chairperson evaluates the performance of the members, and the members evaluate the performance of the chairperson on an annual basis.

Periodic Review of the Terms of Reference

10. These terms of reference will be reviewed in 2024 and thereafter every three years.

Transitional Arrangements

11. To establish the AQ_AG, the Secretariat will issue a call for nominations for 2022 membership on 15 April 2022. The members will be selected and the AQ_AG established by 1 June 2022.
12. The first term of the members selected in 2022 will end on 31 December 2024. Their second term will be three years and staggered to ensure a one-third rotation every year. That is, one-third of the members will rotate off in 2025, 2026 and 2027. The Secretariat will issue a call for nominations for 2026 membership on 1 July 2025.
13. Any vacancies arising between 1 June 2022 and 1 July 2025 will be filled by the Secretariat reaching out to the PAFA Member Organisations. Nominations so received will be reviewed by the Nominations Panel and a recommendation made to the Board for approval. After 1 July 2025, such vacancies will be filled through the

¹ See Transitional Arrangements.

² See Transitional Arrangements.

normal nominations process.

APPENDIX—OPERATING PROCEDURES

Meeting Procedures

1. The number and format of (in-person or virtual) meetings are commensurate with the AQ_AG fulfilling its responsibilities. At a minimum, the AQ_AG meets once per year. Each meeting requires the presence of at least two-thirds of the members, either in person or virtual.
2. The AQ_AG chairperson convenes the meeting. In his/her absence, the members present elect another member to convene the meeting.
3. All members are expected to prepare for and participate in the deliberations at the meeting. Decisions will be made by consensus.
4. The Secretariat develops and distributes the agenda and material for each meeting at least two weeks in advance of the meeting. The Secretariat prepares brief notes indicating the names of those present and summarising key points or decisions made at the meeting.
5. The AQ_AG also engages between meetings as necessary to fulfil its responsibilities.

External communication

6. As ambassadors of PAFA, the members use their networks and communication channels to promote the accountancy quality activities of PAFA.
7. The members provide the Secretariat with a short biography and photo to post on the website to communicate the credibility and accountability of the AQ_AG to stakeholders.

Accountability

8. The CEO reports progress regarding implementation of PAFA's strategy to the Board on a quarterly basis.