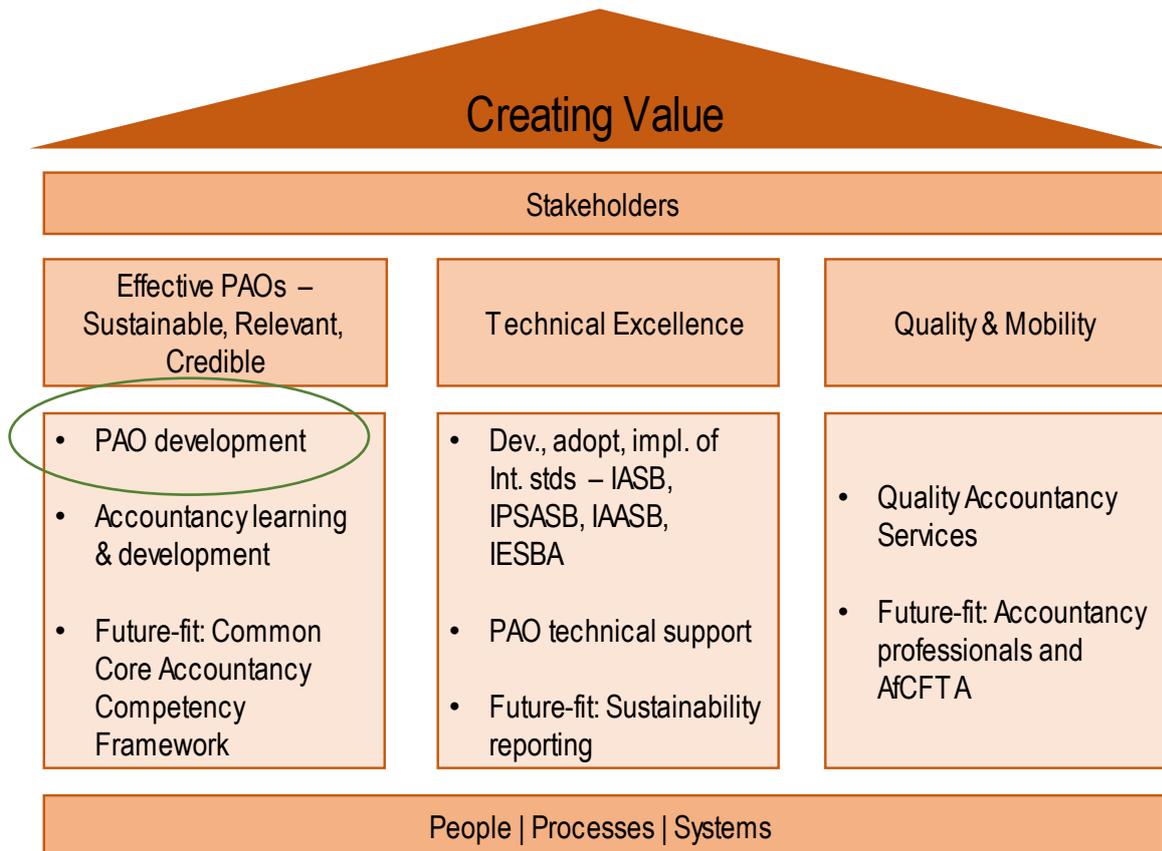


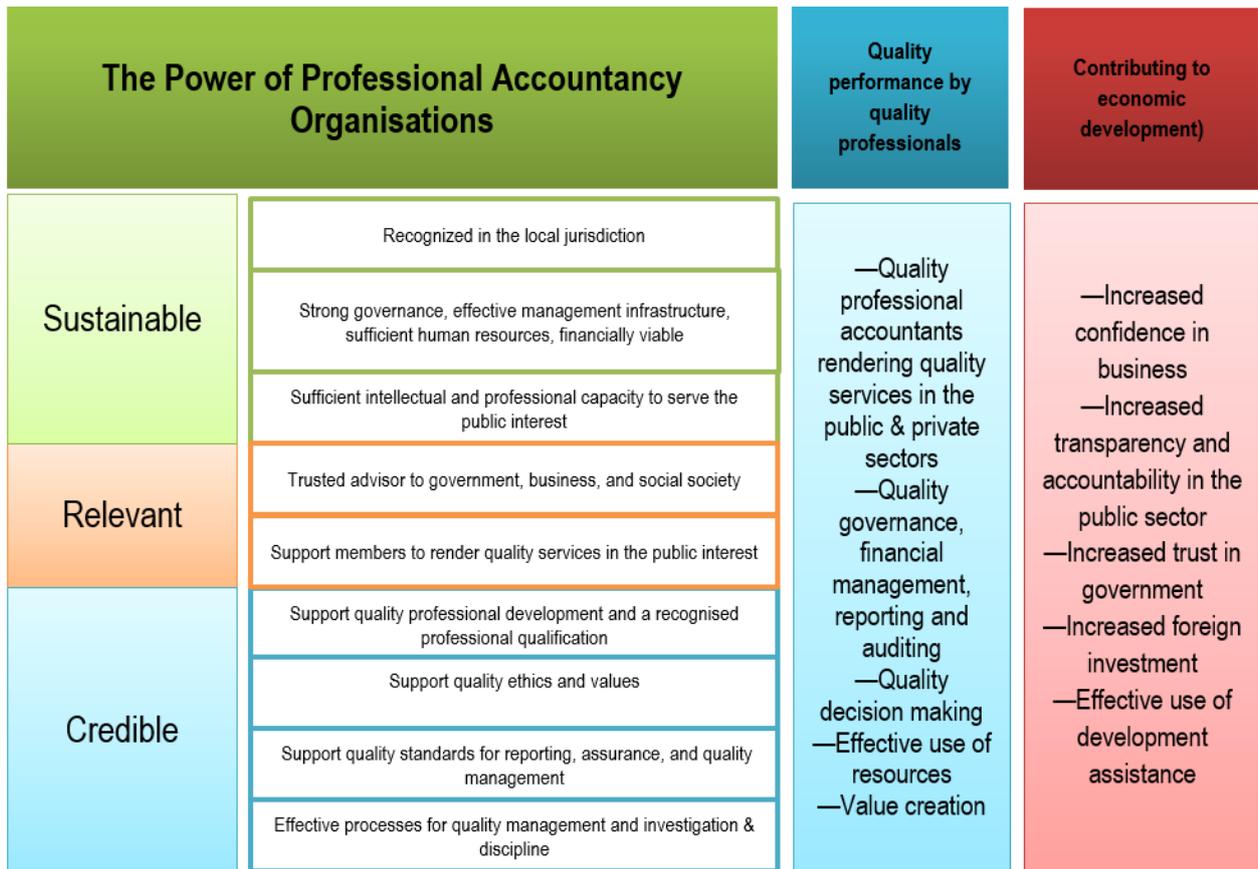


Supplement to the Plan for 2022
PAO Development Activity – 2022 and Beyond (Updated)¹
Reset. Reignite. Refocus.



¹ This plan was approved by the PAFA Board in January 2022 and subsequently updated to consider the outcomes of the PAFA 10-Year Review.

We aim to achieve the following outcomes and impacts through our PAO development initiatives:



This workplan demonstrates how PAFA will aim in 2022 and beyond to achieve the strategic objectives and implement the strategic actions through the established mechanisms set out below.

Strategic Objectives	Strategic Actions	Mechanisms
Developing a future-fit profession for Africa <ul style="list-style-type: none"> • <u>Contribute to the development of sustainable, relevant, and credible PAOs in Africa</u> 	Determine the status of PAO development in Africa. Develop a new PAFA membership application process. Contribute to the establishment of new PAOs and development of existing PAOs and grow PAFA’s membership. Assist PAOs to attain and sustain IFAC associate / membership status.	<ul style="list-style-type: none"> • PAO Development Partnership (Twinning) Programme • Forum for Development Partners and Donor Organisations Interested in Africa (new, like MOSAIC and including the African Union) • Liaison relations with staff of the International Federation of Accountants (IFAC)

Although broader in scope, the 2021 PAFA-ACCA-PwC joint project to determine the state of the accountancy profession in Africa is relevant to this work plan. When completed in 2022, PAFA will support the dissemination of the report and consider the implications of the findings and related recommendations for PAFA’s initiatives.

Determine the status of PAO development in Africa

ABOUT THE INITIATIVE

<i>Background</i>	<p>When 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. Nevertheless, many jurisdictions in Africa do not have PAOs or have PAOs that are not yet sustainable, relevant, or credible. Appendix A shows the international / regional membership status of PAOs in Africa, as well as the countries with no PAOs. The status of development of the PAOs are unknown.</p> <p>The objective of determining the status of PAO development in Africa is to design a strategy to address gaps effectively and efficiently and strengthen PAOs to realise the benefits of a future-fit accountancy profession for Africa.</p>
<i>Impact we sought to achieve</i>	See page 2.
<i>Outcomes we sought to achieve</i>	See page 2.
<i>Planned outputs</i>	<ul style="list-style-type: none"> • Methodology to collect, analyse, and present information • Report on the Status of PAO Development in Africa • Plan for PAO Development in Africa, focused on identified priority areas and harnessing economies of scale • Recommendations for stakeholders on the implementation of the plan for PAO development in Africa

PAFA'S ABILITY TO DELIVER

<i>SWOT</i>	<p><i>Strengths</i>²</p> <ul style="list-style-type: none"> • Brand recognition • Reach across Africa • Relevant MOU partners and stakeholder relations • Interest of affiliates with global reach and quality resources to support PAFA • Ability to convene and influence 	<p><i>Weaknesses</i>³</p> <ul style="list-style-type: none"> • Weak articulation of PAFA's value proposition • Limited financial and human resources • Slow to market • Limited technology for information gathering • Disengaged PAOs
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² Factors that contribute to the continued success of PAFA and assist in achieving its mission.

³ Factors that hamper PAFA's success and growth and prevent it from achieving its mission and full potential.

Determine the status of PAO development in Africa

	<p><i>Opportunities⁴</i></p> <ul style="list-style-type: none"> • Accessing information that can inform a smart strategy to develop PAOs that create value and contribute to economic development • Harnessing economies of scale to address pervasive development gaps • Enhanced sustainability, relevance, and credibility of PAOs • Stronger public sector governance, transparency, and accountability • Increased mobility of accountancy skills across the continent • Pursuing strategic areas of mutual interest with the African Union and other development partners to contribute to Agenda 2063 	<p><i>Threats⁵</i></p> <ul style="list-style-type: none"> • Lack of PAO stakeholder interest / collaboration • Limited understanding of the value of effective PAOs • PAOs have limited financial and human resources to undertake new initiatives / limited capacity to absorb • Multiple PAOs in a single country while resources are limited • Emerging competing regional / national professional associations
<i>Potential risks</i>	<ul style="list-style-type: none"> • Poor choice of methodology for collecting, analysing, and presenting the information • Limited access to sufficient information / inaccurate information • Stakeholders lack understanding of the importance of the report • Narrow recommendations that fail to “zoom in and out” sufficiently to project what the future holds • Report not delivered within scope, timeline or budget • Poor selection of consultants where applicable 	
<i>Partners</i>	<ul style="list-style-type: none"> • PAFA Members • PAFA Affiliates • PAFA MOU Partners • Development Partners and Donor Organisations • PAO Stakeholders (e.g., governments, Auditor Generals, etc.) • Academia 	
<i>PAFA groups</i>	<p>Forum for Development Partners and Donor Organisations Interested in Africa (new, like MOSAIC and including the African Union) (See Appendix B)</p>	
PAFA’s PLANNED ACTIVITIES FOR 2022		
<i>Activities</i>	<ul style="list-style-type: none"> • Seek financial support • Create awareness about the report • Engage a consultant • Approve the methodology for collecting, analysing, and presenting the information • Oversee the information collection and analysis 	

⁴ The environment within which PAFA operates offers opportunities. Which opportunities could PAFA harness to benefit its stakeholders?

⁵ Factors that exist in the external environment that are not within PAFA’s control and pose risks to its stability and sustainability.

Determine the status of PAO development in Africa

- Approve and publish the report
- Develop a plan for PAO development in Africa, focusing on identified priority areas and harnessing economies of scale
- Recommendations for stakeholders on the implementation of the plan for PAO development in Africa
- Start implementing the plan
- Consider whether to rank each PAO based on its level of development using defined criteria

Develop a new PAFA membership application process

ABOUT THE INITIATIVE

Background PAFA currently has 56 member organisations in 45 countries in Africa—each a powerful instrument to create value and serve the public interest. To do so, these PAOs must be sustainable, relevant, and credible (see page 2).

Over the past ten years, PAFA focused on growing our membership and establishing our brand. Looking ahead, our aim is for the PAFA brand to represent a recognized and sought-after level of quality. For IFAC, this is achieved through its membership criteria and obligations, which are encapsulated in its constitution, bylaws, statements of membership obligations, and membership application process.

Recognising the importance of providing a home for all PAOs in Africa—irrespective of their level of development—the new membership application process will facilitate membership while a PAO is working towards sustainability, relevance, and credibility. For PAFA Members that do not have IFAC membership, it will kick-start their journey towards IFAC membership.

Impact we sought to achieve See page 2.

Outcomes we sought to achieve See page 2.

- Planned outputs**
- Clearly defined:
 - PAFA membership value
 - PAFA membership categories (PAFA Constitution and Bylaws)
 - PAFA membership criteria, obligations, and entitlements (PAFA Constitution and Bylaws)
 - PAFA membership application and approval process
 - Guidance and tools to support a PAO’s membership application

PAFA’S ABILITY TO DELIVER

SWOT See SWOT on pages 3 – 4

- Potential risks**
- A membership application process that creates a barrier to admission / maintenance of membership
 - PAOs lack capacity to comply with the membership application process
 - PAOs lack capacity to take the actions necessary to progress against the membership criteria or obligations / PAOs lack financial capacity to maintain PAFA membership
 - PAFA lacks capacity to implement the membership application process
 - PAFA lacks capacity to support PAOs to fulfil the minimum requirements / progress against the membership criteria or obligations
 - Unforeseen country-level disruptions affecting a PAOs membership application / development
 - Jurisdictional differences in PAO mandates and membership across Africa

Partners IFAC

Develop a new PAFA membership application process

PAFA
groups

PAFA Board
Ad-hoc Advisory Group (see Activities)

PAFA's PLANNED ACTIVITIES FOR 2022

Activities

- Establish an ad-hoc small group of PAO representatives to advise the Secretariat during the development of the new membership application process
- Develop:
 - A flyer that clearly articulates the value of PAFA membership
 - Clearly defined PAFA membership categories (as part of the PAFA 10 Year Review)
 - Clearly defined PAFA membership criteria, obligations, and entitlements (as part of the PAFA 10 Year Review)
- Develop and implement a clearly defined PAFA membership application and approval process
- Develop guidance and tools to support a PAO's membership application
- Embed the new PAFA membership application process, guidance, and tools in the new PAFA website
- Take actions to create awareness of / promote / provide training on the new PAFA membership application process
- Guide at least one PAO to PAFA membership in 2022

Contribute to the establishment of new PAOs and development of existing PAOs and grow PAFA's membership

ABOUT THE INITIATIVE

<i>Background</i>	<p>IFAC's report, Nexus 2: The Accountancy Profession—A Global Value Add, found:</p> <ol style="list-style-type: none"> 1. A link between a robust accountancy profession and • economic development and • improved living standards. 2. A positive correlation between the share of accountants in total employment and • GDP per Capita and • the UN Development Index. <p>PAFA's plan for PAO development in Africa is focused on three key pillars: • PAO Sustainability • PAO Relevance • PAO Credibility. See page 2.</p> <p>Sustainability is achieved through the PAO's recognition in its jurisdiction; strong governance, effective management infrastructure, sufficient human resources; financial viability; and sufficient professional and intellectual capacity to serve the public interest.</p> <p>Relevance is a measure of the PAO's responsiveness to the needs, expectations, and interests of its members, students, government, and other key stakeholders by being a trusted advisor to business, government, and society at large and supporting members to render quality services in the public interest.</p> <p>A PAO earns credibility and public trust when it supports quality professional development and a recognised professional qualification; quality ethics and values; quality standards for reporting, assurance and quality management; and effective processes for quality management and investigation and discipline.</p>
<i>Impact we sought to achieve</i>	See page 2.
<i>Outcomes we sought to achieve</i>	See page 2.
<i>Planned outputs</i>	<ul style="list-style-type: none"> • A plan for PAO engagement and communication (component of the PAFA Stakeholder Engagement Map and Strategy) • PAO Development Partnership (Twinning) Programme • Informed PAO development based on the <i>Report on the Status of PAO Development in Africa</i> and the <i>Plan for PAO Development in Africa</i> – see pages 3 – 4, and closely aligned with IFAC's PAO development initiatives • Effective PAO Development Framework and country/PAO development plans • Funding for PAO development • Potentially, a PAO development tracker, using the <i>Report on the Status of PAO Development in Africa</i> as baseline

PAFA'S ABILITY TO DELIVER

SWOT See SWOT on pages 3 – 4.

Contribute to the establishment of new PAOs and development of existing PAOs and grow PAFA's membership

<i>Potential risks</i>	<ul style="list-style-type: none"> • PAOs resisting a move to fit-for-future PAO models • A focus on differences rather than similarities of PAOs on the continent • PAFA lacks resources to implement the PAO development initiatives, including the PAO Development Partnership (Twinning) Programme, effectively, efficiently, and sustainably • PAOs lack capacity to contribute to the PAO Development Partnership (Twinning) Programme • PAOs lack capacity to absorb the development initiatives • Key stakeholders lack understanding of the value of an effective PAO / lack of key stakeholder support, including development partners, donor organisations, and in-country stakeholders
<i>Partners</i>	<ul style="list-style-type: none"> • More developed / developed PAFA Members and PAFA Affiliates • Development partners and donor organisations • IFAC / IFAC PAO & D Advisory Group
<i>PAFA groups</i>	<ul style="list-style-type: none"> • Forum for Development Partners and Donor Organisations Interested in Accountancy in Africa (see Appendix B)

PAFA'S PLANNED ACTIVITIES FOR 2022

<i>Activities</i>	<ul style="list-style-type: none"> • Develop and implement a plan for PAO engagement and communication (component of the PAFA Stakeholder Engagement Map and Strategy) • Develop and implement the PAO Development Partnership (Twinning) Programme—at least two fully operational partnerships in 2022 • Develop and commence implementation of country / PAO development plans—work to significantly enhance capacity to commence at two PAOs • Secure funding for PAO development initiatives—at least USD 500,000 in 2022 (directly or through IFAC) • Share already existing / new PAO development knowledge (workshops, webinars, website) to address pervasive development gaps, including innovations to recover from the implications of COVID-19 for PAOs and their members • Consider whether to establish a PAFA PAO Development Advisory Group
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Assist PAOs to attain and sustain IFAC associate / membership status

ABOUT THE INITIATIVE

Background IFAC recognises the critical role PAOs play in the adoption and implementation of international standards, while PAOs recognise the enhanced credibility that comes with IFAC membership. As IFAC Network Partner / Regional Organisation in Africa, PAFA plays an important role in supporting its members' readiness and applications for IFAC membership. In addition, PAFA is well suited to support those members that are already IFAC members / associates to maintain / progress their membership status.

Aligning PAFA's plan for PAO development in Africa with that of IFAC, enables PAFA to work closely with PAFA member organisations that have expressed interest in IFAC membership and those that are finding it challenging to meet their IFAC membership obligations.

Impact we sought to achieve See page 2.

Outcomes we sought to achieve See page 2.

- Planned outputs**
- A steady flow of PAOs in Africa that meet the minimum requirements for IFAC member or associate status
 - PAOs in Africa retaining their IFAC membership

PAFA'S ABILITY TO DELIVER

SWOT See SWOT on pages 3 – 4.

Potential risks See potential risks on page 8

- Partners**
- More developed / developed PAFA Members and PAFA Affiliates
 - Development partners and donor organisations
 - IFAC / IFAC PAO & D Advisory Group

- PAFA groups**
- Forum for Development Partners and Donor Organisations Interested in Accountancy in Africa (see **Appendix B**)

PAFA'S PLANNED ACTIVITIES FOR 2022

- Activities**
- In consultation with IFAC identify PAOs interested in attaining IFAC membership and PAOs finding it challenging to meet their IFAC membership obligations; select PAOs to receive support; design and deliver support—at least one PAFA Member to attain IFAC membership in 2022
 - In response to the findings of the 2021 strategy consultations, run a masterclass for the leadership of PAOs in French-speaking countries on IFAC membership criteria, obligations, and application

APPENDIX A

PAFA / IFAC Membership Status of PAOs in Africa

Country	PAO	PAFA	PAFA Membership Category	IFAC	IFAC Membership Category	No PAO
Alegria	CNCC, Alegria					
Algeria	OEC, Algeria	1	Member			
Algeria	ONCAA, Algeria					
Angola	OCPCA, Angola	1	Member			
Benin	OECCA, Benin	1	Member	1	Associate	
Botswana	BICA, Botswana	1	Member	1	Member	
Burkina Faso	ONECCA, Burkina Faso	1	Member	1	Associate	
Burundi	OPC, Burundi	1	Member			
Cameroun	ONECCA, Cameroun	1	Member	1	Member	
Cape Verde	OPACC, Cape Verde	1	Member			
Central African Republic	ONECCA, Central African Republic					
Comoros	ONECC, Comoros					
Djibouti	CNCC, Djibouti	1	Member			
DR Congo	ONEC, DR Congo	1	Member			
Egypt	ESAA, Egypt					
Eretria						1
Ethiopia	ABAA, Ethiopia	1	Member			
Gabon	ONEC, Gabon	1	Member			
Gambia	GICA, Gambia	1	Member			
Ghana	ICAG, Ghana	1	Member	1	Member	
Guinea	OECCA, Guinea	1	Member			
Guinea-Bissau	ORNATOC, Guinea-Bissau	1	Member			
Guinea-Equatorial	CECGA, Guinea-Equatorial	1	Member			
Ivory Coast	OECCA, Ivory Coast	1	Member	1	Member	
Kenya	ICPAK, Kenya	1	Member	1	Member	
Lesotho	LIA, Lesotho	1	Member	1	Member	
Liberia	LICPA, Liberia	1	Member	1	Member	
Libya	LIA, Libya	1	Member			
Madagascar	OECFM, Madagascar	1	Member	1	Member	
Malawi	ICAM, Malawi	1	Member	1	Member	
Mali	ONECCA, Mali	1	Member			
Mauritania	ONECRIM, Mauritania					
Mauritius	MIPA, Mauritius	1	Member	1	Member	
Morocco	OEC, Morocco	1	Member	1	Member	
Morocco	OCA, Morocco					
Mozambique	OCAM, Mozambique	1	Member	1	Associate	
Namibia	ICAN, Namibia	1	Member	1	Member	
Namibia	NIPA, Namibia	1	Member			
Niger	ONECCA, Niger	1	Member			
Nigeria	ICAN, Nigeria	1	Member	1	Member	
Nigeria	ANAN, Nigeria	1	Member	1	Member	
Republic of Congo	ONEC, Republic of Congo	1	Member			
Rwanda	ICPAR, Rwanda	1	Member	1	Member	
Sao Tome and Principe	OTOCA, Sao Tome and Principe					
Senegal	ONECCA, Senegal	1	Member	1	Member	
Seychelles						1
Sierra Leone	ICASL, Sierra Leone	1	Member	1	Member	
Somalia	SICPA, Somalia					
South Africa	SAICA, South Africa	1	Member	1	Member	
South Africa	SAIPA, South Africa	1	Member	1	Member	
South Africa	SAIBA, South Africa	1	Associate			
South Africa	IACSA, South Africa	1	Member			
South Africa	SAIGA, South Africa	1	Associate			
South Sudan	ICPASS, South Sudan					
Sudan	AAPOC, Sudan	1	Member			
Swaziland	SIA, Swaziland	1	Member	1	Member	
Tanzania	NBAA, Tanzania	1	Member	1	Member	
Tchad	ONPCT, Tchad	1	Member			
Togo	ONECCA, Togo	1	Member	1	Associate	
Tunisia	OECT, Tunisia	1	Member	1	Member	
Tunisia	CCT, Tunisia	1	Associate			
Uganda	ICPAU, Uganda	1	Member	1	Member	
Western Sahara						1
Zambia	ZICA, Zambia	1	Member	1	Member	
Zimbabwe	ICAZ, Zimbabwe	1	Member	1	Member	
Zimbabwe	ICPAZ, Zimbabwe	1	Member			
Zimbabwe	ICSA, Zimbabwe	1	Member	1	Associate	
Zimbabwe	IACZ, Zimbabwe	1	Associate			
Zimbabwe	SAAA, Zimbabwe	1	Associate			
		56		30		3

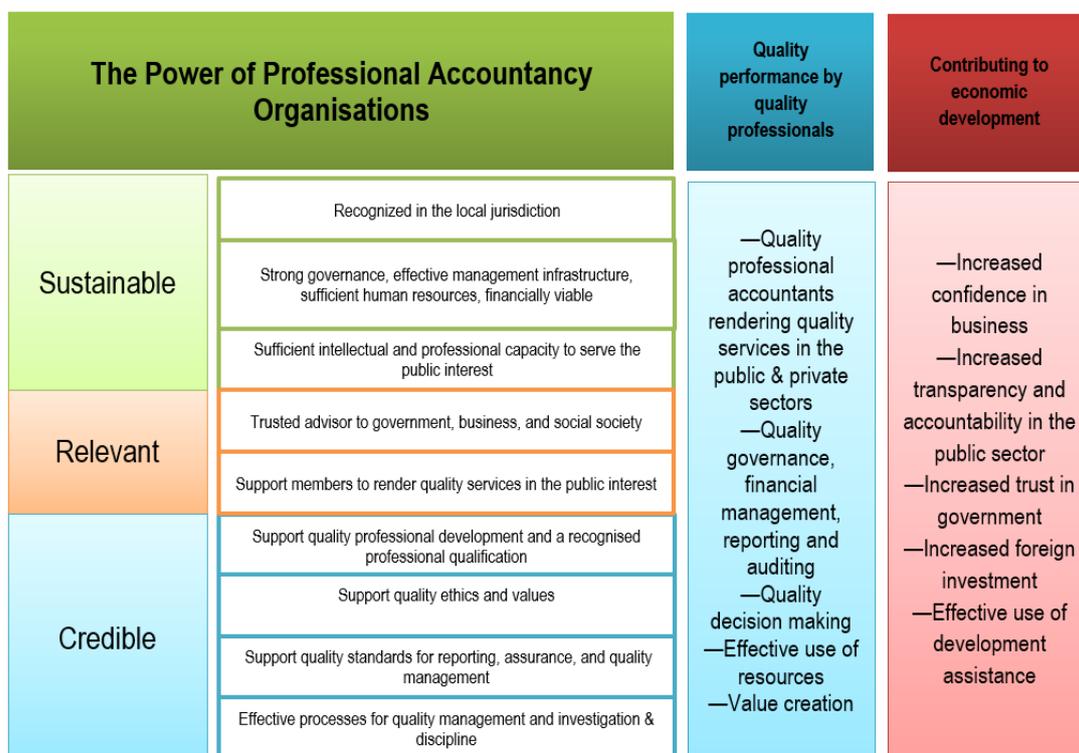
Appendix B

FORUM FOR DEVELOPMENT PARTNERS AND DONOR ORGANISATIONS INTERESTED IN ACCOUNTANCY IN AFRICA

TERMS OF REFERENCE AND OPERATING PROCEDURES

A robust and well-functioning accountancy profession, composed of competent and capable professionals supported by a strong professional accountancy organisation (PAO), contributes significantly to the sustainability of small, medium, and large businesses; sound capital markets; effective public services; and—ultimately—economic growth.

There are still countries in Africa with no PAOs and, for many countries with PAOs, the accountancy profession requires substantial strengthening. Building effective PAOs is a key strategic objective of PAFA. Drawing on the Theory of Change, the picture below illustrates the *outputs*, *outcomes*, and *impact* of building effective PAOs.



Many development partners and donor organisations recognise the role of PAOs in economic development and have engaged / are engaging with the International Federation of Accountants (e.g., former DFID UK, Gavi, The Global Fund and—more generally—MOSAIC) and regional organisations on accountancy capacity building initiatives. PAFA has benefited from monetary support from the African Development Bank, DFID UK, GIZ and The World Bank and holds a Memorandum of Understanding with the African Union.

Purpose

1. The Forum for Development Partners and Donor Organisations Interested in Accountancy in Africa provides a platform for engagement with and among a wide range of development partners and donor organisations interested in building accountancy capacity to advance economies in Africa.

Commitment

2. Forum members are committed to:
 - a. engaging with PAFA on accountancy capacity building;
 - b. informing and supporting PAFA's accountancy capacity building activities.

Membership

3. Forum membership is open to all development partners and donor organisations interested in building accountancy capacity to advance economies in Africa
4. The Secretariat issues an annual invitation to newly identified development partners and donor organisations to join the Forum.⁶
5. The Secretariat maintains a database of Forum members and their representatives. Forum members communicate any changes in representatives to the PAFA CEO without delay.
6. The Forum selects a chairperson from among its members.

Term of Office

7. The member term of office unlimited. The chairperson term of office is three years.

Performance Evaluation

8. The Forum evaluates its performance annually in the spirit of continuous improvement.

Periodic Review of the Terms of Reference

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

APPENDIX—OPERATING PROCEDURES

Meeting Procedures

- a) The Forum meets in person or virtually once per year.
- b) The Forum chairperson convenes the meeting. In his/her absence, the members present elect another member to convene the meeting.
- c) All members are expected to prepare for and participate in the deliberations at the meeting.
- d) The Secretariat develops and distributes the agenda and material for each meeting at least two weeks in advance of the meeting.

Accountability

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

⁶ The first invitation will be issued on 15 January 2022.