



## NEWSLETTER

### AUGUST – SEPTEMBER 2021

#### Content

CEO Message .....	1
Developments at PAFA .....	2
Developments at Key Stakeholders .....	6
Embracing the 4 <sup>th</sup> Industrial Revolution .....	7
Professional Accountants Making a Difference .....	8
Spotlight On Our Stakeholders .....	10
Global Knowledge and Insights .....	11
Upcoming Events .....	13
Introducing: Canadian Audit and Accountability Foundation .....	14
Follow Us .....	15

#### CEO MESSAGE

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Dear Colleagues,

I recently participated in the annual conference and 50<sup>th</sup> anniversary of the Chartered Governance and Accountancy Institute in Zimbabwe (formerly the Institute of Chartered Secretaries and Administrators in Zimbabwe). The theme of the conference resonated with me: **Reset. Reignite. Refocus.**

As we are shaping PAFA’s strategy based on our learnings from the PAFA 10-Year Review, we realise that many professional accountancy organisations are resetting, reigniting, and refocusing and so should PAFA.

We are excited to share with the PAFA Board in October our plan to reignite and refocus the *Technical & Standard Setters Forum* and *PAFA Education Advisory Committee*. Please look for a call for nominations for membership of these groups towards the end of the year. We are also refocusing our stakeholder communications and ask that you respond to our



requests for contact information of specific persons. We recently requested the contact information of your learning & development directors (or equivalent). We are hoping that they would register for the [2021 IFAC EdExchange Summit: Leading Sustainability](#), which is dedicated to helping professional accountants do different things with the skills and competencies they already have in their toolbox. The Summit will inform our dialogue on the development of a common core competency framework for future-fit accountants in Africa.

Arrangements for the Africa Congress of Accountants 2021, *Embracing the 4<sup>th</sup> Industrial Revolution* are progressing. This first-ever hybrid ACOA will be held on 24-26 November in Maputo, Mozambique and online. The programme is high quality, and the speaker line-up excellent. You can read more about the programme and speakers in the ACOA2021 Update #2 ([English](#), [French](#),) and register your attendance at [www.acoa2021.com](http://www.acoa2021.com). And be sure to harness the [sponsorship opportunities](#).



ACOA2021 belongs to you, our members. We call on all professional accountancy organisations to promote ACOA2021 to your members. You will soon receive material that you can use for this purpose.

In June I visited OECCA—Burkina Faso and was impressed by how boldly they are challenging the status quo to fulfil their public interest responsibility, and the strong relations they hold with a wide range of key stakeholders, including in government. Similarly, the President and the Minister of Finance and Economic Development of Zimbabwe graced the 50<sup>th</sup> anniversary of CGI in Zimbabwe. And senior government officials of Mozambique will preside at ACOA2021. Through these relationships, the accountancy profession in Africa is transforming lives. We encourage you to share your success stories in this newsletter.

For many, it has been challenging professionally, socially, and economically as the Pandemic persists. We hope that you would be able to reset, reignite and refocus as we are moving into the last quarter of 2021.

Stay healthy and hopeful,

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## DEVELOPMENTS AT PAFA

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### PAFA Board Calls for a Special Meeting of the General Assembly

The PAFA Board met in August and approved three Co-opted Board Members. Their representatives are introduced below.

**The PAFA Board also called a Special Meeting of the General Assembly for 23 November 2021 in Maputo, Mozambique.** During this meeting, the General Assembly will review the Board's recommendation regarding the future location of PAFA's registered office and secretariat and advise on matters relating to the PAFA 10-Year Review.

For more information about the Board meeting, please read the Key Highlights ([English](#), [French](#), [Portuguese](#)).

## Meet the New Co-opted Board Member Representatives



### **Fatoumata SIDIBÉ, *Ordre National des Experts – Comptables et Comptables Agréés du Mali***

Ms SIDIBÉ is a Certified Accountant, registered on the Roll of the Order of Chartered Accountants and Chartered Accountants of Mali since 2006. She is the President of the Council of the National Order of Experts—Chartered Accountants and Accountants of Mali—ONECCA Mali. She is also the President of the International Federation of French-speaking Chartered Accountants—FIDEF, which brings together professional accountancy organisations from 40 countries. From 2015 – 2017, she chaired the Association of Accountancy Bodies in West Africa—ABWA.

Ms. SIDIBÉ is the Director of KONI AUDIT. She has 24 years of experience in management, management consulting and auditing. She participated in and supervised several missions of auditing, accounting, etc.

During her career, Ms. SIDIBÉ has acquired a wealth of experience both nationally, sub-regionally and internationally through the performance of missions, participation in international meetings and as member of the following institutions:

- Board of Directors of the Pan African Federation of Accountants—PAFA (since August 2021)
- Board of Directors of the International Federation of Francophone Chartered Accountants—FIDEF with head office in Paris (since 2012)
- West African Accounting Council Office—CCOA (WAEMU accounting standardisation body) (2010 – 2013)
- Permanent Council of the Accounting Profession of WAEMU (since 2015)



### **Raouf Ghorbel, *Ordre des Experts Comptables de Tunisie (OECT)***

Mr Ghorbel is a Chartered Accountant—Statutory Auditor and a member of OECT since 1988. He is a lecturer at the Faculty of Economics and Management of Sfax since 1987 and a member of the jury for the chartered accountancy diploma.

Mr Ghorbel was a Member and Vice President of the National Council of OECT from 1991 to 1993. He founded the OECT Central and Southern Regional Councils in 1998. He was President of the OECT Southern Regional Council from 2009 to 2015, Member of the OECT National Council from 2009 to 2018 and President of OECT from 2015 to 2018 after which he became Honorary President of OECT. He represented Tunisia on the Board of Directors of FIDEF from 2015 to 2018. He is representing Tunisia on the Board of PAFA since 2018.

Since 2015, Mr Ghorbel is a technical advisor to the Arab Federation of Accountants & Auditors.

Mr Ghorbel is unifying, sociable and influential.



### **Mário Vicente Siteo, Order of Accountants and Auditor of Mozambique (OCAM)**

Prof Siteo graduated master's in governance and public administration: Public Finance and master's in accounting, auditing, and taxation: Business Ethics. He is a Member of the Order of Accountants and Auditor of Mozambique (OCAM), Founding Member of the Mozambican Association of Internal Auditors (AMAI), and Member of the Mozambican Association of Economists (AMECON). He serves as a non-executive director on numerous boards, including MOZRE Moçambique Resseguros, SA; AUTOGÁS, SA; PETROBEIRA Lda and Fiscal Único Banc ABC.

—Nkululeko Mnguni, Governance ([NkululekoM@pafa.org.za](mailto:NkululekoM@pafa.org.za))

## **Enhancing Public Sector Transparency and Accountability**

**EXPRESSION OF INTEREST  
SUBMISSION DUE DATE EXTENSION**

The African Professionalisation Initiative continues to call for countries to express an interest in receiving implementation support. An extension has been granted to allow countries a further opportunity to submit their expression of interest:

**The due date to submit an expression of interest has therefore been extended to 31 October 2021.**

  
AFRICAN PROFESSIONALISATION INITIATIVE  
[HTTPS://PROFESSIONALISATION.AFRICA/](https://professionalisation.africa/)

### **African Professional Initiative—Become an Early Adopter**

The [African Professionalisation Initiative](#) (API), a collaboration between AFROSAI-E, CREFIAF, ESAAG and PAFA, aims to strengthen public value management systems by providing accountancy professionals with the competencies required for a dynamic public sector role. Professional accountancy organisations are a key component of this initiative. PAFA calls on our member organisations to become early adopters of the API's learning resources and capacity building methodology and benefit from implementation support to be provided by the API for a limited period.

- The initial invitation can be found [here](#)

- Detailed criteria have been set and can be found [here](#)
- The [API White Paper on Professionalisation](#): Building Professional Capacity for Public Value Management provides perspectives on important considerations when embarking on a professionalisation journey.

For any queries, please send an email to [info@professionalisation.africa](mailto:info@professionalisation.africa).

—Reuben Orwaru, Public Value Management ([ReubenO@pafa.org.za](mailto:ReubenO@pafa.org.za))

## **PAFA Supports Financial Reporting for Non-Profit Organisations**

—By [Samantha Mosuke](#), Project Director IFR4NPO, Humentum

International Financial Reporting Standards (IFRS) have been developed to meet the needs of the private sector, with the interests of investors and creditors driving much of its development. International Public Sector Accounting Standards (IPSAS) have been developed for governmental bodies, acknowledging that the nature of these entities and the information needs of users (including citizens) are different from for-profit businesses. IFRS for Small and Medium-Sized Entities (IFRS for SMEs) have been developed to recognise the need for smaller, non-publicly accountable entities to prepare financial statements, whilst acknowledging that these entities may need simpler standards.

For non-profit organisations (NPOs), however, there are currently no equivalent standards. Many NPOs have unique transactions and 'economic events' that are markedly different from those in the private or public sectors. Furthermore,

stakeholders and users of financial information have reporting needs that do not entirely match those considered by existing international standards. Financial reporting issues for NPOs have been subject to much debate globally for many years. Issues have been raised in academic studies, by standard setters and by stakeholders and members of the NPO community, including donors. Calls for NPO-specific standards have gained momentum not least because of the wide variety of non-profit entities that exist.

Examples of the issues that are not adequately addressed in existing international standards include non-exchange transactions, such as the receiving and giving of grants and donations, as well as gifts and services in-kind. Many NPOs rely heavily on cash transfers (grants and donations) for both day-to-day operational costs and projects or programmes. Gifts-in-kind, services-in-kind, fundraising, and assets held for future service delivery represent just a few of the transactions that can create real issues when financial reports are compiled using non-NPO specific reporting standards.

Additionally, current reporting standards do not always meet the needs of funders and donors. With the above components of NPO finance not consistently portrayed in NPO financial statements, it can prove difficult for funders to properly assess the health, integrity, and historical success of NPOs. Likewise, NPOs can, and do, struggle to better demonstrate their own capacity to potential funders. Additionally, donors may be interested to understand what has happened to their cash donations. Financial reporting formats also vary among multiple donors, with further complexity arising from requests for different information at different points in time. The picture is even more complicated when you consider the different forms of regulation that must be complied with if a NPO operates in different jurisdictions. With the potential for numerous due diligence processes to follow and multiple project audits to comply with, NPOs face much more strain than necessary. Overall, there is a vast duplication of efforts – which has a direct impact on NPO capacity, transparency, efficiency, and the accuracy of financial information provided.

A [Consultation Paper](#) is currently open for feedback from practitioners. The public consultation gives NPOs and their stakeholders the opportunity to contribute to the development of the upcoming guidance. Feedback to this consultation paper will shape the future of financial reporting in this important but diverse sector. This project presents a particularly timely opportunity for stakeholders in Africa to share their views, perspective, and expertise so that the guidance can be relevant to and useful in the Africa context. Active participation in the IFR4NPO consultation by PAOs in Africa aligns with PAFA’s key pillars of credibility, sustainability, and relevance.

Governments in Africa and NPO regulatory bodies will look to their PAOs for professional advice about the guidance and its applicability to the NPOs in their respective contexts. It will be important that they are engaged to ensure their needs as users of financial reports are reflected during the development process.

To read more click [here](#).

—Lebogang Senne, Technical Director ([LebogangS@pafa.org.za](mailto:LebogangS@pafa.org.za))

## Exploring Interesting Initiatives



The PAFA Secretariat recently had the opportunity to engage with representatives from [SAPRO](#). We are eager to continue to explore with this organisation how they could collaborate with professional accountancy organisations to provide learning and development opportunities for aspiring professional accountants and job opportunities for qualified professional accountants.

## DEVELOPMENTS AT KEY STAKEHOLDERS

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### The Institute of Chartered Accountants of Sierra Leone (ICASL)

PAFA congratulates the newly elected council of ICASL, and **Mrs Blanche Gooding** as chairperson of the new council.

### The Institute of Chartered Accountants of Zimbabwe (ICAZ)

PAFA congratulates **Mr Tumai Mafunga** on his appointment as President of ICAZ.



Mr Mafunga is the Group Treasurer for Delta Corporation Limited. He is a former Partner of Deloitte Africa where he held the position of Head of Audit and Assurance services Zimbabwe and served on Deloitte Africa Exco for the Telecommunication, Media and Technology (TMT) industries representing Central Africa countries Zimbabwe, Zambia and Malawi. He is a seasoned practitioner who has served some of Zimbabwe's largest clients in financial services, retail, telecommunications and manufacturing. He has been an ICAZ Council member for over six years.

Mr Mafunga is a social impact entrepreneur and is passionate about people development and empowering people from disadvantaged communities. He describes his most important job as being Dad to his 4 bubbly children

### Ordre Des Experts Comptables Et Comptables Agréés Du Bénin (OECCA—Bénin)

PAFA congratulates the newly elected council of OECCA—BENIN, and **Mr Serge Armand CODO** as chairperson of the new council.

### Somali Institute of Certified Public Accountants (SICPA)

PAFA congratulates **Mr Abdullahi Tahlil Aden** on his appointment as chairman and **Mr Burhan Said Salah** on his appointment as CEO of SICPA. PAFA is eager to work with SICPA towards membership as we aim to build strong and sustainable PAOs in each African country that will contribute to national professional, economic and social development and demonstrate compliance with the IFAC Statements of Membership Obligations (SMOs) thereby realising ethical, accountable, and transparent finance practices in private and public sectors.



Abdullahi Aden Tahlil is a qualified chartered accountant (ACCA & CIPFA). He holds a master's degree in professional accountancy from the University of London and BSc in accounting from both Oxford Brookes and SIMAD University. Prior to joining SICPA he worked as a professional accountant, auditor, and consultant for more than ten years in the public and private sectors.



Burhan Salah ACCA served as the chairman of the SICPA Administration and Membership Committee from 2020. He was the Membership Director of the institute from 2019 to 2020. Before joining the institute, he was a Partner at Merit Advisory Services LLP. He is an ACCA member and holds a BSc in Accounting from Oxford Brookes University and MSc in Professional Accountancy from University of London (UoL).

### Strengthening the Capacity of the Namibia Institute of Professional Accountants (NIPA)

The NIPA Board and CEO, Essie Herbst, are strengthening NIPA's capacity to deliver relevant services to its members and key stakeholders. PAFA and the [African Professionalisation Initiative](#) (API) secretariat hosted the NIPA Public Sector Committee and other stakeholders on 6 September 2021 to a virtual presentation on the API programmes. The API aims

to develop competent, ethical, and influential professionals in the African public sector capable of supporting accountability, transparency and good governance thereby contributing to high-quality services to citizens. PAFA staff will visit NIPA in October 2021 to contribute to the development of their strategy and discuss Namibia's participation in the API.

[Please share developments at your organisation with Sibongile Setshogo at [SibongileS@pafa.org.za](mailto:SibongileS@pafa.org.za) for publication in future newsletters.]

## EMBRACING THE 4<sup>TH</sup> INDUSTRIAL REVOLUTION

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### Complexity, Technology, and Organisational Culture

—By Brian & Laura Friedrich, IESBA Technology Working Group

At the risk of stating the obvious, today's world is a challenging and uncertain place to be a professional. Technology is driving change at an exponential pace. Organisations are navigating climate change and social injustice issues, while global economic and health crises impact Professional Accountants (PAs) personally and professionally. Amid these challenges, society expects organisations to be part of the solution, which means that ethical decision-making is in the spotlight more than ever before.

#### *IESBA's Technology Working Group*

In 2019, the International Ethics Standards Board for Accountants (IESBA) launched the Technology Working Group (TWG) to explore how emerging technologies are impacting PAs, particularly with respect to ethical challenges and compliance with the fundamental principles and independence<sup>1</sup>. One of the early themes that emerged from stakeholder discussions is that complexity is creating challenges. These are not limited to technology by any means, but discussions around disruptive technologies inevitably lead to comments about the pace of change, the lack of explainability, the prevalence of 'unknown unknowns', and the interconnectedness of dynamic systems, all of which increase uncertainty and decrease the predictability of outcomes. PAs also reported an increasing sense of pressure that comes with new expectations and demands.

The TWG continued investigating this area, in part through a global roundtable event hosted by CPA Canada, the Institute of Chartered Accountants of Scotland (ICAS), and the International Federation of Accountants (IFAC). The event was based on an exploratory paper entitled [Ethical Leadership in an Era of Complexity and Digital Change](#). Four key themes were the focus of the event, the first of which relates to increasing complexity.

#### *Organisations face complex problems*

When we're talking about complexity and its impact on PAs, it's essential that we understand the distinction between "complicated" and "complex". Although many of us have come to use these words interchangeably, they are not the same concept. And importantly "complex" does not just mean "more complicated" – the difference is one of type, not degree.

Complicated problems might have many elements or variables, but the relationships between those variables are relatively predictable – they can be broken down into elements, and they can be modelled in a way that leads to reasonable predictions or forecasts of what the likely outcome or result will be, because outcomes are proportionate to the inputs. Complicated problems might very well be difficult or extremely difficult to solve, but once we figure out the solution, the problem remains solved, and we can apply the same reasoning and formulas to solve other, similar complicated problems

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<sup>1</sup> IESBA's response to emerging technology includes the Technology Working Group, focused on ongoing fact finding and the development of non-authoritative educational and awareness-raising materials, and the Technology Task Force, focused on proposing enhancements to the Code. See IESBA's Technology focus page for more information and updated resources.

– the results are reproducible for the most part.

Complex problems and systems, on the other hand, include factors that are not just interconnected, but are both dynamic and interdependent in ways that are difficult or impossible to predict. We can't easily break them down and use a "divide-and-conquer" problem-solving approach – we have to *manage them* holistically. Small changes in certain inputs can have a disproportionately large impact on outputs, and interactions between elements can lead to unexpected synergies, which means that complex systems can be influenced, but not controlled, and interventions in one area often lead to unforeseen effects in another.

Complex problems don't have a single solution, and the outcomes are unpredictable, even if we've faced something similar before and were successful. Consider activities such as strategic planning or managing a team or a brand – or the varying national responses to the current pandemic. We have strategies for these activities based on experience and training, but there's no formula we can follow to produce precise outputs – the strategy needs to be flexible based on the current situation and the perspectives of stakeholders; the outcomes aren't particularly predictable; and at any point, another event or external force can require us to change course.

Once again, all of this means that complex situations need to be managed, not solved, and if we try to approach these as if they were complicated – by trying to follow established procedures using formulas and algorithms – we're not going to reach the best outcomes, and indeed, we can end up with some very harmful consequences. Interestingly, other fields in the domains of science, engineering, and medicine regularly differentiate between the complicated and the complex, but it's not something that has seen much attention in our profession as yet.

The IESBA TWG's work and ongoing stakeholder insights illustrate the interconnected nature of technology and the role of the PA. All the challenges discussed require a renewed focus on ethical decision-making in the public interest. The IESBA's [Role and Mindset](#) project emphasised the need for PAs to promote an ethics-based culture in their organisations. Such a culture can have a significant impact on an organisation's ability to make consistently appropriate decisions in complex situations.

A series of thought leadership papers is being developed under the leadership of CPA Canada, with ICAS, IFAC, and the IESBA TWG, to further evaluate ethical leadership and provide practical implications for the profession flowing out of the global roundtable. The discussion of complexity in this article draws from the first paper, [Complexity and the Professional Accountant](#), which is available now. Other papers in the series will follow in the coming few months.

## PROFESSIONAL ACCOUNTANTS MAKING A DIFFERENCE

### Winnie Tarinyeba.

A key strategy for PAFA is to amplify Africa's voice in international standard setting and strengthen the adoption and implementation of the international standards. This will not be possible without the collaborative efforts of Africa's dedicated volunteers on the international standard-setting boards. One such individual is Winnie Tarinyeba, a lawyer and academic with 20 years of professional experience and expertise in corporate law, banking, securities regulation, and corporate governance. PAFA Technical Director, Lebogang Senne, conducted the following interview with Winnie.



*You are not an accountant by profession, what interested you in the IESBA?*

Professional accountants perform an important public interest role. As a corporate governance practitioner and director on the boards of organisations in various sectors, I am acutely aware that boards rely on information produced or assured by professional accountants to make important decisions. In addition, in my work advising on financial sector regulatory

frameworks such as capital markets regulation and banking, company and insolvency law, credible and reliable financial information is key. Therefore, I have a keen interest in the ethical standards of professional accountants. The views and perspectives of stakeholders that use or rely on information prepared or audited by professional accountants are important to a global standard-setting body. The IESBA comprises of practitioners, non-practitioners, and public members; the latter is the category to which I belong.

*How did you become a member of the IESBA?*

The IESBA is a global standard-setting body. Diversity of views and perspectives are at the core of how it operates. The board has 18 members from jurisdictions across the world. Members of the board are selected through a transparent and rigorous process that involves a public call for nominations and interviews. In 2017, I responded to the call for nominations, and—after a successful interview—I was appointed for a three-year term (2018 to 2020). Based on my performance, I was awarded a second term, which will end in December 2021.

*In reference to your time as IESBA board member ...*

*... Is there a particular project that stands out for you, and why?*

The technology project stands out for me. I joined when the board and other stakeholders started to talk about the ethical implications of technology developments. As we are exploring this issue, I am appreciating technology developments, such as AI, blockchain, big data, etc., and their implications for the accountancy profession, skills requirements, and—more fundamentally—ethics.

*... Is there an achievement or contribution that you are most proud of, and why?*

During my chairmanship of the IESBA Emerging Issues and Outreach Committee we started the conversation on ESG reporting. We are witnessing a fundamental shift in corporate behaviour in assessing return on investment and impact on the development and utilisation of resources. At the September 2021 IESBA meeting, the committee presented this matter to the board, and I believe this will form an important part of its future work.

*In your own words, why is it important to see PAFA members participate in the work of the IESBA?*

I have been privileged to interact with PAFA members during my tenure on the IESBA. PAFA represents an important region with diverse members who have a key public interest role to play in their various jurisdictions. Some have adopted the IESBA Code while others have ethics codes that are aligned with the fundamental principles of the IESBA Code. It is therefore important that they participate in the work of the IESBA to ensure that Africa's views and perspectives are considered in the development of global standards.

*What advice would you give to anyone aspiring to become an IESBA member?*

IESBA is keen to have diverse representation. The selection process is transparent. The board meets four times a year and works largely through task forces and working groups. It is important to be sure about the time commitment requirements and to have an interest and passion for ethics.

*Is there anything else you would like to share with members of PAFA?*

It has been an honour for me to serve on the IESBA and participate in the development of global standards that meet stakeholder expectations and consider jurisdictional differences. As a lawyer the process has been enriching and allowed me to reflect on the two professions, particularly because my work involves a great deal of interaction between the two. As an academic, corporate governance practitioner and director, I am in a better position to exercise my responsibilities because I have a good understanding of the ethical responsibilities of professional accountants and the responsibilities of those charged with governance.

## SPOTLIGHT ON OUR STAKEHOLDERS

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### Professional Accountancy Organisations Accelerating Economic Integration

—By Dr Francis Chinjoka Gondwe—APAAC Secretary (Seychelles, Mauritius, Mozambique, Zambia, and Malawi)



Five like-minded countries—Malawi, Mauritius, Mozambique, Seychelles, and Zambia—embarked on a mission to accelerate the pace of economic integration within the ambit of COMESA and SADC. The Accelerated Program for Economic Integration—APEI Initiative are pursuing a set of policy reforms that will strengthen economic linkages and facilitate exchange among the participating countries in priority areas to improve the business regulatory environment, eliminate barriers to trade in goods, promote trade in services, improve trade facilitation and build capacity.

The APEI has adopted two major instruments to strengthen the Initiative—the Memorandum of Understanding for the Facilitation of Movement of Business Persons and Professionals between the APEI Countries, which includes an APEI Business Travel Card, and the Mutual Recognition Agreement between the APEI Competent Authorities of Professional Accountants and Auditors. The Regional Multidisciplinary Centre of Excellence—RMCE partnered with the Commonwealth Secretariat in the development of a Mutual Recognition Agreement (MRA) between the APEI Competent Authorities of Professional Accountants and Auditors. The Commonwealth Secretariat provided technical and financial assistance for the development of the MRA, including negotiating sessions and legal vetting.

The MRA, which was signed in February 2019 in Lusaka, Zambia by Malawi, Mozambique, and Zambia and in August 2021 by Mauritius, aims to:

- Facilitate mobility of **Accountants** and **Auditors** and portability of qualifications to enable the realisation of commitments made by APEI Party States for the movement of business persons and professionals;
- Encourage and support the improvement of standards of education and training, and provide advice on professional development in the accountancy profession in the APEI Party States; and
- Facilitate the exchange of information to promote adoption of best practices on standards of accountancy education, professional qualifications, and professional practice and ethics.

An **Accountant** is a national or permanent resident of an APEI Party State; possesses a current and valid professional license/membership certificate to practice in the Sending State; is a member in good standing of the professional accountancy organisation in the Sending State; passes examinations in company law and tax law, pays the required fee, meets the language requirement as may be required by the authorities in the Sending State; and has no record of conviction for any criminal offence of an economic, financial or fiscal nature in the Sending State. Such Accountant will be recognised and issued a practicing license/membership certificate by the Competent Authority of a Receiving State.

Similarly, an **Auditor** is a national or permanent resident of an APEI Party State; possesses a current and valid professional license as an auditor in the Sending State; is a member in good standing of the professional accountancy organisation in the Sending State; passes auditing, company law, tax law and/or competence practice examinations, pays the required fee, meets the language requirement as may be required by the authorities in the Sending State; and has no record of conviction for any criminal offence of an economic, financial or fiscal nature in the Sending State. Such Auditor will be recognised as an auditor by the Competent Authority of a Receiving State.

An Accountant or Auditor from a APEI Party State, who has been so recognised, will enjoy the same rights, duties, and obligations as an Accountant or Auditor in the Receiving State.

The professional accountancy organisations in Malawi, Mauritius, Mozambique, Seychelles, and Zambia established the

APEI Professional Accountants and Auditors Committee—APAAC to oversee the MRA. This includes monitoring and reviewing the implementation of the MRA and keeping a record of accountants and auditors that have moved under the agreement; taking and recommending actions where necessary; developing common examinations; developing a website; co-operating on training, practice standards and ethics; and coordinating the mutual exchange of information relating to the accountancy profession and the adoption of best practices.

The APAAC is laying the ground for the collaborations. It is expected that mobilisation will be concluded in 2022 with the recruitment of accountants and auditors to participate in the programme commencing in the same year.

PAFA congratulates the professional accountancy organisations in Malawi, Mauritius, Mozambique, Seychelles, and Zambia on this major achievement.

## ICAZ Publishes an Annual Integrated Report



The Integrated Report of the Institute of Chartered Accountants of Zimbabwe provides an overview of the activities of the Institute during the year ended 31 May 2021. It details the inputs, outputs (being the value addition), and impact of these activities. Click here to read the annual [report](#).

## ICAI International Sustainability Reporting Awards—Recognising and Honouring Excellence in Sustainability Initiatives in Climate Change and Gender Equality

The [ICAI International Sustainability Reporting Awards for 2020-21](#) recognise and reward entities for transformational initiatives and innovative practices towards Climate Change and Gender Equality. This esteemed platform encourages excellence in sustainability reporting by all organisations to investors and other stakeholders and helps them to share leading practices adopted to attain the 2030 Agenda for Sustainable Development. Entries can be submitted [here](#).

[Please share your organisation's initiatives with Sibongile Setshogo at [SibongileS@pafa.org.za](mailto:SibongileS@pafa.org.za) for publication in future newsletters.]

## GLOBAL KNOWLEDGE AND INSIGHTS

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### Public Value Management

- **New Q&A on Public Sector Specific Financial Instruments Under IPSAS** — This Q&A [publication](#), issued by the International Public Sector Accounting Standards Board (IPSASB) staff, provides information on accounting for certain public sector specific financial instrument transactions. It highlights IPSAS guidance to aid constituents in accounting for certain public sector specific transactions.
- [What Does Climate Reporting Look Like in the Public Sector?](#) Sustainability reporting—reporting using environmental and social measures—is becoming common practice in the private sector. Practices in the public sector, however, are less prevalent. CIPFA conducted [international research](#) to better understand what public sector organisations are doing to report their impact on the climate.
- [An Opportunity to Make a Difference in the Public Sector for PAOs](#) — The Confederation of Asian and Pacific Accountants (CAPA) has released its latest ground-breaking public sector related thought leadership, to be used by professional accountancy organisations (PAOs) around the globe as they consider opportunities to support public sector membership, and more importantly, address matters of public interest.
- [Can Public Sector Accountants Help Save the World? Yes, We Can – and Here's Why](#) — We should all play a part, however small, in addressing climate change and helping achieve the SDGs. At least [one-fifth of leading](#)

[global companies](#) have committed to net-zero carbon targets. These commitments from the private sector are critical and must continue. However, only governments have the power to enact the macro changes that will propel societies towards more progress, faster.

- **2021 International Public Sector Financial Accountability Index** — This [joint report](#) from CIPFA and IFAC captures information from 165 jurisdictions, finds that while 30% of their governments reported on an accrual basis in 2020 (an increase of 6% since 2018), 50% will report on accrual by the end of 2025. Africa, Asia, and Latin America and the Caribbean will lead the projected increase in accrual adoption over the coming five years. By providing a comprehensive view of government finances, accrual reporting helps ensure that expenditure of public funds is transparent, public officials are held accountable, and future liabilities are recognised officially and planned for properly

## International Standards and Best Practices

The [5th Colloquium Memorandum “Enterprise Value Creation”](#) is a great resource on the importance of sustainability.

For information on technical developments at the international standard-setting boards, see the [PAFA Technical Bulletin](#).

## Education and PAO Capacity Building

- [Conversations with Experts | Advancing Accountancy Education](#)—on-demand videos with experts talking about the future of accountancy education and sustainability reporting.
- [Revisions to IES 2, 3, 4, and 8 are effective as of January 1, 2021](#). The revisions to these standards reflect the increasing demand for accountants skilled in information and communications technologies and place further emphasis on the professional skepticism skills and behaviors. These apply to both aspiring and professional accountants.
- [Doing Different Things: Approaching Sustainability with Confidence, and Your Existing Skillset](#)—As professional accountants, we have a drive to pursue knowledge when faced with a new transaction or event, which gives us the confidence to broaden the processes, transactions, and reporting that can be applied to other areas. This drive to learn and the related skills and competencies we already have are also necessary for developing the processes to produce sustainability related information and disclosures, which are becoming increasingly relevant and necessary for organisations. Delving into this non-financial reporting area is an example of IFAC’s call to action to [reimagine the role of the future accountant](#) issued in early 2020 and the opportunities that are available to professional accountants and our profession.
- [Building Resilience & Value during Uncertain Times: Taking Your PAO from Crisis to Recovery](#)—Strategic and financial planning are critical for PAOs in addressing organisational recovery and planning for future development. As a result, IFAC’s [PAO Development and Advisory Group](#) supported IFAC in building a centralised, accessible PAO resource hub to provide PAOs with the right questions to ask and right tools to move forward.
- [Working in Partnership to Build Stronger Governance](#)—A strong governance structure is critical to the implementation of a PAO’s strategy—and to fulfilling [IFAC’s membership requirements](#)—as it permits those members that volunteer their extensive skills and experience to support the PAO to focus their time commitment to maximum effect. ACCA looks at some of its collaboration in this area as well as its own governance journey to provide some new or continued learning and insight.
- [What Are Critical Success Factors for PAO Digital Transformations?](#)—There is a significant opportunity for PAOs to accelerate digital transformation to improve the delivery of their mandate. This article offers 5 key pillars that PAOs should put in place to successfully progress their digital transformation.

- **More on PAO Digital Readiness:** Explore IFAC's [PAO Digital Transformation Series webpage](#) which is regularly updated with additional articles, videos, and resources!

All IFAC materials can be translated and reproduced by submitting a request to [IFAC's translations database](#). To stay updated, [subscribe](#) to *The Latest*.

## UPCOMING EVENTS

### PAFA

<b>21 October</b>	Webinar to introduce the IAASB ED on Proposed International Standard on Auditing of Financial Statements of Less Complex Entities	<a href="#">Register</a>
<b>24-26 November</b>	Africa Congress of Accountants: Embracing the 4 <sup>th</sup> Industrial Revolution – HYBRID, Maputo, Mozambique	<a href="#">Register</a>
<b>6 December</b>	Roundtable discussion on the IAASB ED on Proposed International Standard on Auditing of Financial Statements of Less Complex Entities	

### PAFA Members and Associates

[The Institute of Chartered Accountants of Zimbabwe 2021 Calendar](#)

[Please share your organisation's upcoming events with Sibongile Setshogo at [SibongileS@pafa.org.za](mailto:SibongileS@pafa.org.za) for publication in future newsletters.]

### PAFA Affiliates and Other Key Stakeholders



Registration is open for the 20<sup>th</sup> CAPA Conference and 42<sup>nd</sup> National Conference of CA Sri Lanka.

The CAPA Conference has historically been referred to as the *regional accountancy Olympics* for the Asia Pacific since it is staged approximately every four years. The 20<sup>th</sup> CAPA Conference returns in 2021 to be proudly hosted by the Institute of Chartered Accountants of Sri Lanka in conjunction with the Institute's 42<sup>nd</sup> National Conference of Chartered Accountants from the 6 – 8 October 2021, themed *Heritage – Many businesses, One planet*. Details of the program and sessions can be found [here](#). Visit the [event page](#) to register your participation.

### IFAC

Regularly review the [IFAC Events Page](#) to identify any events relevant to your PAO or members.

#### *IFAC Summit on Sustainability*



IFAC is dedicating its second annual virtual summit to sustainability and helping professional accountants do different things with the skills and competencies they already have in their toolbox. The three-day summit in October will focus on the demand for organisations to act and the needs and perspectives of investors, regulators, and public interest entities. It features speakers with global expertise in sustainability, environmental, social, and governance (ESG), integrated and sustainability reporting, sustainability-related investor needs, and more. It will help professional accountants, and the professional accountancy organisations that support them, understand—and take action to meet—growing demands for sustainability services from the public and private sector. Register [here](#).

[Please contact Sibongile Setshogo at [SibongileS@pafa.org.za](mailto:SibongileS@pafa.org.za) if you would like to include any of your organisation's events in this newsletter.]

## INTRODUCING: CANADIAN AUDIT AND ACCOUNTABILITY FOUNDATION (CAAF)

The [Canadian Audit and Accountability Foundation](#) (CAAF) is a not-for-profit organisation dedicated to promoting and strengthening public sector performance audit, oversight, and accountability in Canada and internationally. CAAF has shared knowledge with many supreme audit institutions (SAIs) and their Public Accounts Committees (PACs) in Africa since its inception in 1980.

Accountability is at its strongest when all participants in the accountability system not only work together but have the knowledge and skills to effectively do their jobs. The accountability triangle on the right highlights the roles of each party.

CAAF supports this accountability system by providing:

- public sector auditors (including Auditors General at all government levels and internal auditors) the tools to produce thorough performance audit reports that identify key deficiencies and include strong recommendations; and
- oversight committees with the knowledge to properly review these audit reports and work with audited organisations to ensure that the recommendations are implemented.

Over the past 40 years, thanks to funding from the Government of Canada, we have [worked with 54 countries](#) to increase the effectiveness of their performance auditing and oversight practices, with the goal of contributing to improved transparency, effectiveness, accountability, and governance in government's management of public resources and delivery of services for citizens.

Our current [7-year international program](#) for example works with 4 countries: Senegal, Rwanda, Vietnam, and Guyana. For each partner country, we provide a mix of training and mentoring based on their unique needs and goals. This includes, for example, offering our full suite of performance audit courses, virtually and in person, as well as support for specific issues, including gender mainstreaming, building relationships with key partners, and communications.



The [Fellowships program](#) is also a core part of our international program activities. Select Fellows complete on-the-job learning in Canada, participate in courses, and develop a plan for a performance audit. Graduate Fellows play central roles in increasing the effectiveness of their SAIs' and oversight committees' practices and are expected to become leaders in their SAIs' performance audit departments. We recently asked graduate Fellows to share their reflections on the program and their careers and [shared highlights from their responses](#).

Our work with international audit offices is very important to us and takes a strong place in our upcoming 2022-2025 Strategic Plan which will be launched this Fall. In this plan, we commit to contributing to the work of at least 10% of SAIs and oversight committees internationally and enter comprehensive multi-year arrangements with our members.

As we continue to grow and expand our membership, so do our products and services. If you'd like to learn more about what CAAF has to offer and how we can work with your office, visit [our website](#) or [contact us](#).



*CAAF's President and CEO, Carol Bellringer had the pleasure of working with your CEO, Alta Prinsloo through the International Federation of Accountants.*

## **FOLLOW US**

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We are looking forward to continuing the conversation. Please follow us on LinkedIn by scanning the QR code below with your phone.



Please submit any questions or comments to: [info@pafa.org.za](mailto:info@pafa.org.za).