

## **JOINT NEWS RELEASE: 23 May 2022**

### **African accountancy profession is broadly optimistic about the economic future**

*#Stateofprofession report presents a compelling and unique picture of the of the accountancy and finance ecosystem in Africa*

A ground-breaking study into the accountancy profession in Africa reveals 55% of accountants are optimistic about Africa's economic prospects, but skill shortages, especially in the areas of technology and strategy are a major concern for respondents.

PAFA (the Pan African Federation of Accountants), ACCA (the Association of Chartered Certified Accountants), and PwC joined forces to develop the *State of the Profession in Africa* report, polling 1,750 professionals to capture their views about the profession's contributions on the continent, as well as the challenges, threats, and opportunities ahead. The report also captures feedback from 110 participants at various business and public sector roundtables, held to capture opinions of experts across Africa.

The research was analysed under four themes - capacity building, partnerships, influencing for socio-economic development, and future-readiness of the profession.

Focussing on capacity building, technology (53%) was the biggest skills gap identified, followed by strategy planning, market intelligence and performance management (49.3%).

The results revealed a startling paradox for the profession in building ethical and sustainable business while lacking in environmental, social and governance (ESG) acumen. Some 57% say this is limiting the involvement of Professional Accountancy Organisations (PAOs) and their members in climate change and ESG agendas.

Alarmingly, 92% of accountants working in the mining industry do not see ESG among the industry's top three future-altering trends, and 40% of all surveyed members highlighted the ability to incorporate climate change and ESG into financial reporting as a major skills gap.

The report asserts that partnerships are essential for the accountancy profession to be resilient, and offers various calls to action for accountants, PAOs and the many stakeholders in the finance and accountancy ecosystem – including higher education institutions, the business community, the public sector, standard-setters and regulators, governments and policy makers.

Alta Prinsloo, Chief Executive Officer, PAFA says: 'If the accountancy profession is to be fit-for-future, it must be digital, contribute to socio-economic development and play a key role in building ethical and sustainable business. To facilitate this, more and better collaboration is an imperative – and that starts with national PAOs. PAFA stands ready to facilitate collaboration among PAOs and stakeholders to respond to the calls to action encapsulated in the report.'

Jamil Ampomah, director of ACCA Africa, adds: 'Respondents' views about ESG are certainly a wakeup call. Hurdles need to be overcome as accountancy professionals have a unique opportunity to lead ESG adoption in their organisations, in their own countries, right across Africa and globally. One of the strong recommendations in the report is for the profession to skill up here – the tools and qualifications are available to do this, so the opportunity is waiting to be grasped.'

Mary Iwelumo, Partner, PwC Nigeria and Strategy Lead for PwC West Market noted further: 'We were startled by the finding that accountants generally did not expect ESG to have a meaningful impact on the profession and professionals over the next decade. At PwC, we had hoped that knowledge that ESG is a business imperative would be universal, especially among professionals that have a seat and voice at the table of business leadership. This disquieting discovery must, therefore, galvanise all of us to a collaboration that will build an education system that will equip accountants to anticipate the future, and prepare for and thrive in it.'

Top ten statistics from the report show that:

1. When it comes to global accounting standards, 81% of respondents say International Financial Reporting Standards (IFRS) have been adopted across Africa.
2. 71% of accountants expect that digital transformation of accounting functions would be the profession's biggest game changer over the next decade.
3. 64% have seen professional accountants become CEOs or Directors in their organisations.
4. 53% say stricter regulatory and statutory compliance will have an impact on the profession.
5. Almost half - 49% - of respondents believe that the accountancy professional contributes to strategic direction and development of business insights in the upper echelons of organisations.
6. Accountants in Africa are most optimistic about the implementation of environmentally friendly policies and investment in infrastructure – each at 30%.
7. 43% are pessimistic about the uncertain political situation and for 39% it is policy uncertainty.
8. 45% indicate that most senior professionals in their organisations are involved in the traditional roles of organising, controlling, processing, and reporting on financial related transactions.
9. 47% say another significant trend is predictive accounting software such as forecasting and data analytics tools
10. 47% say changes in tax policy is an important future trend.

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## **Notes to Editors**

**About PAFA:** PAFA is the continental body representing Africa's professional accountants. Established in May 2011, the non-profit organisation currently has 56 Professional Accountancy Organisation (PAO) members and associates from 45 countries. Our mission is to accelerate and improve the reach of the accountancy profession – working in the public interest, facilitating trade, and enhancing benefits and quality services to Africa's citizens.

PAFA's mandate is founded on the premise that national PAOs have the capacity to drive responsible financial management practices, accountability, transparency, and effective governance across public and private entities. PAFA's unique ability to develop institutional capability contributes to the acceleration of economic growth and the reduction of poverty in Africa. Our strategic objectives and the economic and societal benefits they drive contribute toward achieving African Union Agenda 2063 and UN Sustainable Development Goals (SDGs). Find out more at [pafa.org.za](http://pafa.org.za)

**About ACCA:** ACCA is the Association of Chartered Certified Accountants. We're a thriving global community of **233,000** members and **536,000** future members based in **178** countries and regions that upholds the highest professional and ethical values.

We believe that accountancy is a cornerstone profession of society that supports both public and private sectors. That's why we're committed to the development of a strong global accountancy profession and the many benefits that this brings to society and individuals.

Since 1904 being a force for public good has been embedded in [our purpose](#). And because we're a not-for-profit organisation, we build a sustainable global profession by re-investing our surplus to deliver member value and develop the profession for the next generation.

Through our world leading ACCA Qualification, we offer everyone everywhere the opportunity to experience a rewarding career in accountancy, finance and management. And using our respected research, we lead the profession by answering today's questions and preparing us for tomorrow.

ACCA and CA ANZ have formed a [strategic alliance](#) for the benefit of members and to help shape the future of the profession. Find out more about us at [accaglobal.com](http://accaglobal.com)

**About PricewaterhouseCoopers (PwC):** PwC is a network of firms in 156 countries with over 295,000 problem solvers – all committed to creating high quality Trust and Consulting Solutions. Our Trust Solutions comprise organisation's assurance and tax related services while our Consulting Solutions provide a diverse range of services, including digital transformation, cybersecurity and tax consulting across different industries, socioeconomic, private and public sectors. PwC's core strength is being able to form effective, well-managed and sustainable teams who can advise organisations on complex projects across a wide range of areas. We apply their professional expertise to identify, report, protect, realise and create value for clients and stakeholders. Our global presence across all markets enables PwC to peerlessly carry out our network's purpose. Find out more at [pwc.com](https://www.pwc.com)