



INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF RWANDA

Driving Sustainable Performance

UPDATES IN THE ACCOUNTANCY PROFESSION ACROSS AFRICA AND THE GLOBE

The iCPAR Annual Seminar: 5–7 October 2016

Presenter: Bosco Mkombozi, iCPAR President

Presentation Outline

- Accountancy Profession in Africa – The PAFA Strategy
- Global Accountancy Profession
- Discussion/Questions

Accountancy Profession in Africa

The PAFA Strategy- Key Highlights – Focus on the PAFA, Vision, Mission and Strategic Objectives: 2016-2020

PAFA Vision & Mission

- **PAFA's Vision** - Globally recognized as the influential voice of the accountancy profession from Africa.
- **PAFA's Mission** - To work in the public interest by leading and developing the accountancy profession in Africa and delivering value to its members and stakeholders.

PAFA Strategic Objectives: 2016-2020

- **Objective 1:** Build strong and sustainable professional accountancy organization in each African country that contributes to the national professional, economic and social development and demonstrates compliance with IFAC Statements of Membership Obligations (SMOs). (Strong and sustainable PAOs).
- **Objective 2:** Influence and facilitate adoption and implementation of International standards and best practice in each member in order to improve the quality of financial and corporate reporting. (International standards and Best practice).

PAFA Strategic Objectives: 2016-2020

- **Objective 3:** Facilitate strengthening of Public Finance Management (PFM) systems in order to achieve fiscal discipline, effective resource allocation and effective service delivery to citizen thus creating value for money. (Public Sector).
- **Objective 4:** Enhance a common working approach and platforms that facilitate the sharing of knowledge, resources and experiences (Regional Cooperation).

PAFA Strategic Objectives: 2016-2020

- **Objective 5:** Engage in cutting edge knowledge and solutions on future issues that will impact the economy, society and the profession. (Thought Leadership).

Developments in the Accountancy Profession in Africa- IFAC Initiatives Supporting PAFA Strategy

- IFAC's mission is to serve the public interest and strengthen the accountancy profession by building the capacity of professional accountancy organizations. IFAC PAO Capacity Building Program supports the development and growth of PAOs around the world.
- PAO capacity building activities are undertaken around a framework. The framework has three building blocks which covers the full spectrum of a PAO's responsibilities and, when properly addressed, contribute to a successful PAO that serves both the public and private sectors.

The PAO Capacity Building Framework : The Three Building Blocks



Developments in the Accountancy Profession in Africa- IFAC Initiatives Supporting PAFA Strategy

- Agreement with DFID: IFAC will develop capacity building project to support PAOs in ten UK DFID focus countries over a period of seven years
- Currently ongoing PAO development work in the Africa region includes: **Rwanda**, Uganda, Ghana, Zimbabwe and Nigeria.

Developments in the Accountancy Profession in Africa- PAFA and IFAC Initiatives

- PAFA has been working with IFAC to ensure success of these ongoing projects.
- **iCPAR** PAO Capacity building project focuses on: Strategic Plan Development ; Examinations quality improvement; Study materials enhancement; ICT Capacity for iCPAR; Recruitment of a Project Coordinator
- Roundtables planned - to enlist financing support for the **iCPAR** strategy implementation –To take place in Oct. 2016.

Developments in the Accountancy Profession in Africa- IFAC Initiatives Supporting PAFA Strategy

- Participation by Government, Private sector and Donor community in the roundtables expected to rally wide support for **iCPAR** programs and give **iCPAR** greater visibility, relevance and influence nationally and internationally.
- PAFA is working with IFAC to progress recruitment of a technical director for PAFA to support PAFA members with standards enforcement.

Global Accountancy Profession

Key Opportunities For The Global Profession, And iCPAR

Key Opportunities For The Global Profession, And **iCPAR**

1. A High-Performing Public Sector

- Global public sector spending is enormous.
- Improved public services important to achieving many of the Sustainable Development Goals
- Many countries utilize incomplete, low-quality information to develop policy, make spending decisions, and manage assets and liabilities.

Key Opportunities For The Global Profession, And iCPAR

1. A High-Performing Public Sector

- Transparency and accountability are vital—and a significant opportunity for our profession
- IPSAS adoption in Rwanda is a strong signal that the Rwanda government understands need for strong PFM
- Implementation of IPSAS standards brings the opportunity to offer PAO members support, guidance, and professional development, in order for them to continue to be the trusted advisors government needs.

Key Opportunities For The Global Profession, And **iCPAR**

2. Combating Fraud & Corruption

- Fraud disproportionately impacts citizens least able to absorb its cost.
- Accountants possess deep expertise and a wide range of skills to help combat fraud and corruption, including the use of 'forensic accounting' tools and techniques to deter it; and helping to create systems and processes to prevent it from occurring.
- **Rwanda** ranks as one of the least corrupt countries in the world due to Zero tolerance to corruption by the Government
- **iCPAR** and its members should continue to support gains made on transparency and accountability to serve public interest.

Key Opportunities For The Global Profession, And **iCPAR**

3. Smart Regulation

- IFAC's first global regulation survey in 2015 highlighted how complex regulation is hampering economic activity
- More than 80% said regulatory impact had become more significant—and that it will continue to impact them more significantly going forward.
- 63% felt regulation was impacting their organization's opportunity to innovate
- And 4 out of 5 respondents felt that regulation impacting their organization was overly complex.

Key Opportunities For The Global Profession, And **iCPAR**

4. Talent Acquisition & Retention

- Young people today have more choices, more preferences
- Partnership between **iCPAR** and IFAC on the PAOC Capacity Building Project
- Will help attract talent by demonstrating the support you are prepared to offer on a continuing basis
- Diversifying our profession also contributes to talent acquisition and retention

Key Opportunities For The Global Profession, And **iCPAR**

5. Supporting SMPs

- Significant opportunity for **iCPAR** and global profession
- SMEs are the engine-rooms of growth & the professional skills of accountants working in SMPs are vital.
- 2016 IFAC Global SMP Survey launched Oct. 1—provides a greater public understanding of SMPs and a clear window into the work and importance of SMEs in the global economy

Key Opportunities For The Global Profession, And iCPAR

6. Technology

- Profession has embraced technology but the pace of change is accelerating, and it is having a profound impact.
- Technology already changing how we work and freeing us to focus on the strategic.
- Discussion about fighting fraud and corruption is incomplete without mentioning technology.
- Amount of data created each year = 26,000x US Library of Congress content

Key Opportunities For The Global Profession, And iCPAR

6. Technology

- We will always be required to interpret the data, but:
- Cloud-based computing, hosted applications, Big Data and rise of learning algorithms, all offer opportunities for faster info gathering and calculation, and enable advanced problem solving
- This sort technology will help us identify fraud and corruption, but it will also it increase need for greater cybersecurity awareness.
- We must collaborate with other professions and technology providers to write ourselves into the future.

Key Opportunities For The Global Profession, And **iCPAR**

7. Beyond Financial Reporting

- Growing awareness that traditional financial statements do not tell the whole story
- Public, and investor community, is increasingly interested in corporate stewardship of non-financial resources
- Significant opportunity for **iCPAR** and global profession
- IFAC PAO Network created to:
 - Explore the issues involved, and practices being followed, in the implementation of integrated reporting
 - Share knowledge and experiences so the profession can take a lead role in operationalizing

Key Opportunities For The Global Profession, And iCPAR

8. Taxation

- A major local and international issue
- Feeds into our role in promoting smart regulation, and also a high-performing public sector
- The issues are *complex*, and they are often *comingled*.
- In a nation like **Rwanda** with a significant informal sector, taxation is even more complex
- Given the importance of tax revenue to funding public services and infrastructure, and helping businesses and citizens comply with complex tax laws, it's a subject that all professional accountants must continue to be interested in—and speak out on in the public interest.

Reflection

You don't have to be great to start, but you have to start to be great – **Zig Ziglar**

Q/A

Discussion/ Question and Answers