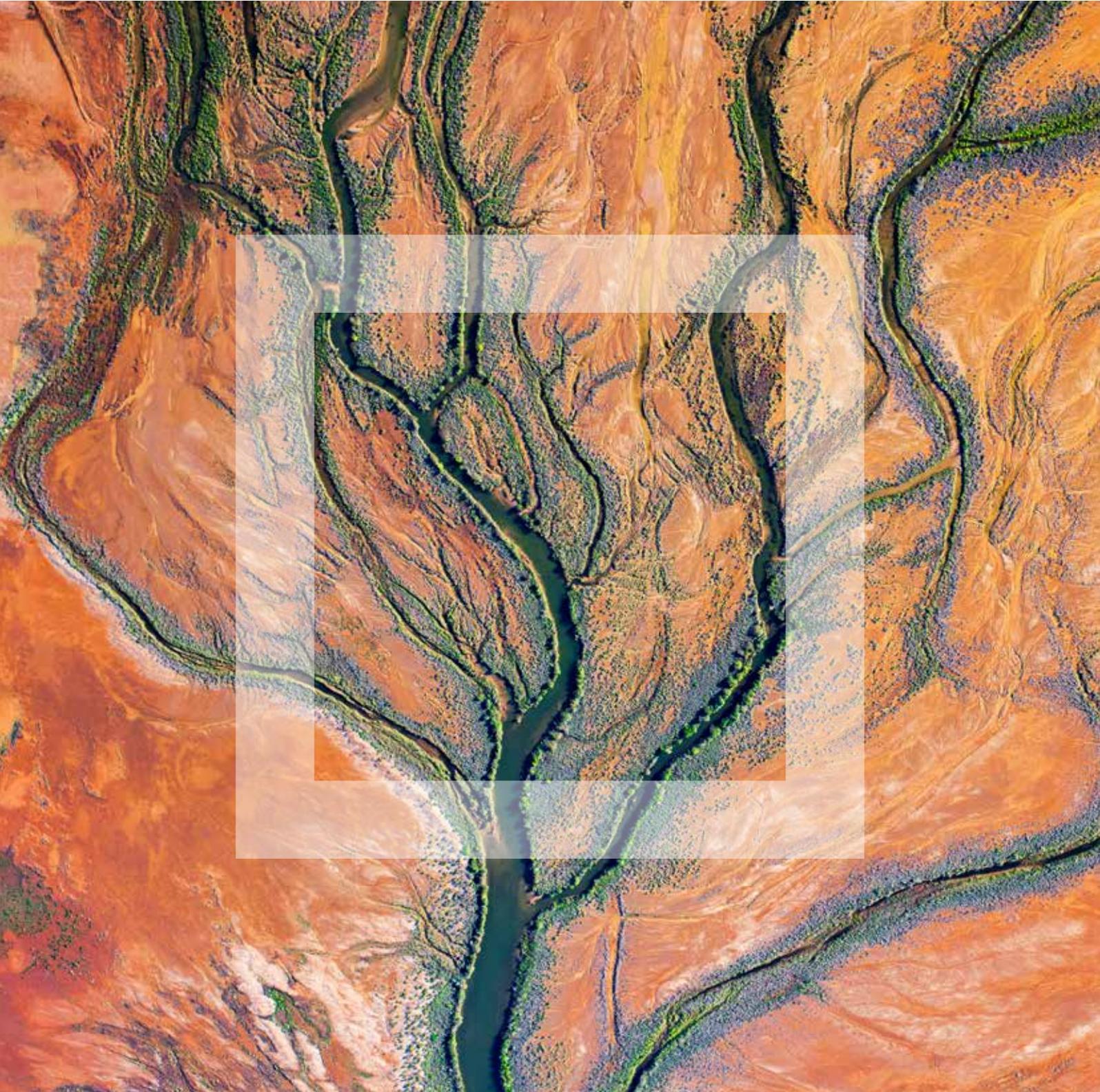




Think Ahead



## STATE OF THE ACCOUNTANCY PROFESSION IN AFRICA



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# List of abbreviations

Abbreviations	Meaning
4IR	Fourth Industrial Revolution
5IR	Fifth Industrial Revolution
AAAG	Association of African Accountants-General
ABWA	Association of Accountancy Bodies of West Africa
ACCA	The Association of Chartered Certified Accountants
AFROSAI-E	African Organisation of English-Speaking Supreme Audit Institutions
AU	African Union
AfCFTA	African Continental Free Trade Area
CAT	Certified Accounting Technicians
CEO	Chief Executive Officer
CFA	Chartered Financial Analyst
CFO	Chief Financial Officer
CIMA	Chartered Institute of Management Accountants
CNCC-D	Compagnie Nationale des Commissaires aux Comptes de Djibouti
CPE	Continuing Professional Education
CSO	Civil Society Organisation
EACIA	East African Community Institutes of Accountants
ECOWAS	Economic Community of West Africa States
ERP	Enterprise Resource Planning
ESAAG	East and Southern Africa Accountants-General
ESG	Environmental, Social and Governance
FDI	Foreign Direct Investment
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
HEI	Higher Education Institutions
HRMAU	Human Resource Manager of Uganda
I&D	Investigation & Discipline
ICOEPA	International Code of Ethics for Professional Accountants
ICAZ	Institute of Chartered Accountants Zimbabwe
ICF	International Coaching Federation
ICSAZ	Institute of Chartered Secretaries and Administrators in Zimbabwe
IES	International Education Standards
IFAC	International Federation of Accountants

Abbreviations	Meaning
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
ISA	International Standards on Auditing
LICPA	Liberian Institute of Certified Public Accountants
MoU	Memorandum of Understanding
OECD	Organisation for Economic Co-operation and Development
OHADA	Organisation for the Harmonisation of African Business Law
ONECCA-BF	Ordre National des Experts Comptables et des Agrees du Burkina Faso
P&HC	Pharmaceutical and Healthcare
PAAB	Public Accountants and Auditors Board Zimbabwe
PAFA	Pan African Federation of Accountants
PAO	Professional Accountancy Organisations
PFM	Public Financial Management
ISQC	International Standards on Quality Control
RPA	Robotic process automation
SAIPA	South African Institute of Professional Accountants
SDGs	Sustainable Development Goals
SMEs	Small and Medium Enterprises



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.



# Our study partners

## About the Pan African Federation of Accountants (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 (the Association of Chartered Certified Accountants)

ACCA is the global professional body for professional accountants – working across a wide range of sectors and industries. We are a thriving global community of 233,000 members and 536,000 future members based in 178 countries and regions. We uphold the highest professional and ethical values, offering everyone the opportunity to experience a rewarding career in accountancy, finance and management. Our qualifications and continuous learning opportunities develop strategic business leaders and forward-thinking professionals with expert financial, business and digital knowledge. Since 1904, ACCA has been a force for public good – our purpose is to create sustainable organisations and prospering societies.

In December 2020, ACCA made commitments to the UN SDGs being measured – and will present our progress in our annual integrated report. We believe that accountancy is a cornerstone profession of society and is vital in helping economies, organisations and individuals to grow. We achieve this by creating trusted financial and business management, combating corruption, ensuring ethical management, driving sustainability, and providing rewarding career opportunities. As a not-for-profit organisation, our cutting-edge research leads the profession while preparing for the future.

Find out more at: [accaglobal.com](http://accaglobal.com)

### About PricewaterhouseCoopers (PwC)

PwC is a network of firms<sup>1</sup> 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, socio-economic, 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)



There is no doubt that the profession is capable of retaining its place in business and society.

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<sup>1</sup> Each member firm is a separate legal entity and does not act as an agent of PricewaterhouseCoopers International Limited (PwCIL) or any other member firm. For more information about the structure of PwC, please visit [pwc.com/structure](https://www.pwc.com/structure)

# Foreword



Alta Prinsloo, Chief Executive Officer, PAFA

**‘We must match the profession’s enthusiasm with deliberate action to reach a true state of future readiness.’**

**This report is collaboration in action and a clear resonance for our future. We thank ACCA and PwC for this opportunity to understand better the status of the profession in Africa.**

The participants in the study have shared their hopes and aspirations. Their insights have enabled an actionable agenda for development and change that reflects their keenness to do more. It is clear, PAOs and other stakeholders in the finance and accountancy ecosystem must do more to help accountancy professionals bridge skills gaps, embrace technology, serve the public sector, and – most importantly – understand the climate change/ ESG agenda.

Our calls to action are practical and achievable. We cannot be complacent about the future. Collectively, we have a responsibility to ensure the relevance of our profession. We must match the profession’s enthusiasm with deliberate action to reach a true state of future readiness.

Together, I know we can rise to the challenges and opportunities ahead.



Helen Brand, Chief Executive, ACCA

‘We offer our thanks to all those who helped us create this report.’

**ACCA is very pleased to be joined by PAFA and PwC for this unique report into the state of the accountancy profession across the African continent. With feedback from members and other stakeholders on four key themes – capacity building, partnerships, influencing for socio-economic development, and future-readiness – this report brings together important insights and views from the profession at a time of immense change.**

The accountancy profession is one that is hyper-connected. It cannot and should not work in silos, and ACCA often talks about the profession as a central part of a connected community. The profession has a vital role to play at the heart of an ecosystem that links professional accountants to each other, and to organisations across the private and public sectors, to SMEs, to education, to government and policy makers.

Our findings make for interesting reading. We see a profession aware of the issues it needs to tackle, from skill shortages to ESG upskilling. But it is also optimistic about the future, keen to do more, and keen to create opportunities to prove its value across Africa.

We offer our thanks to all those who helped us create this report. Their knowledge and views will help define a way forward together, so that the accountancy profession will be ready to play its role as a driver of positive change and socio-economic development. It’s an exciting time to be an accountant, and we hope more young people will join its ranks in the years to come. It’s time to shout about the value of the accountancy profession in Africa, and this report does that loud and clear. We hope you enjoy it.



Mary Iwelumo, Partner, PwC

‘We all agree that this report will make interesting reading for stakeholders in the accountancy and finance profession.’

**At PwC, we’re extremely excited to partner with PAFA and ACCA in this seminal report to better understand accountancy and finance in Africa. The project perfectly aligns with our purpose – to create value and solve important problems.**

Our latest strategy – the New Equation<sup>2</sup> – is designed to provide human-led, technology powered solutions that improve businesses around the world. Our diverse range of services include all entities – large and small, public and private, domestic and multinational, etc. They increasingly engage in activities that require recording, measurement, conversion, valuing and revaluing, transfer and reporting transactions, revenues, expenditures, profits, assets and liabilities.

Over time, we’ve seen the profession accelerate at an alarming rate – with technology solutions moving into a space that was once reserved for accountancy and finance professionals. New technologies – AI, bots, RPA, blockchain, etc – are surging to occupy a front row seat in the theatre of finance.

The key findings from our report expose how the profession in Africa views these technologies, and what responses it plans to make in the short to medium-term. We all agree that this report will make interesting reading for stakeholders in the accountancy and finance profession.

<sup>2</sup> <https://www.pwc.com/gx/en/the-new-equation.html>



The report is directed at stakeholders in Africa's accountancy and finance ecosystem, and contributes to defining the profession's landscape.



# Executive summary

## Background and context

This Africa-wide exploratory report is produced in collaboration between PAFA, ACCA and PwC. It's designed to help determine the current and emergent state of the profession in Africa.

We used a combined engagement approach that included a continent-wide members' survey, a stakeholders' roundtable, and interviews with selected experts who work in the public sector. Altogether, over 1,750 accountancy and finance professionals in Africa participated in the survey. More than 100 professionals took part in the stakeholders' roundtables – and interviews with regional organisations leaders and public sector institutions were carried out to provide continental representation.

## Objectives of our report

The report is directed at stakeholders in Africa's accountancy and finance ecosystem, and contributes to defining the profession's landscape. It highlights opportunities to focus professional development efforts. And it informs national/regional development planning – guiding engagements with development partners on initiatives to influence fiscal and socio-economic transformation in Africa.

The main objectives of our report were:

- to determine the continent's challenges and opportunities for professional development while supporting sustainability and transformation of the profession.
- to enhance collaboration and synergies among key stakeholders.
- to highlight how development initiatives will be most effective in influencing fiscal and socio-economic reform in Africa.

## Africa and the accountancy landscape

Our survey, undertaken at a time<sup>3</sup> when different countries were struggling with the second wave of the Covid-19 pandemic, indicated that more than half of professional accountants were optimistic for the continent's medium-term prospects.

There are an estimated 123,000<sup>4</sup> accountancy and finance professionals who are members of PAOs in Africa. Accountants, therefore, constitute approximately 0.012% of the entire population – playing an essential role in the continent's economic development. High-quality reporting is essential to improve transparency, facilitate the mobilisation of domestic and international investment, create a sound investment environment, and foster investor confidence toward promoting financial stability.

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<sup>3</sup> The duration of the members survey lasted from 2 November 2021 – 10 December 2021

<sup>4</sup> The total number of fee-paying members declared by PAOs for purposes of calculating their 2022 PAFA membership subscriptions, including members of international bodies registered with the national body. A fee-paying member is defined as a member with a qualification from the PAO who has paid his/her annual PAO membership fees in full and who is eligible to vote on matters of the PAO.

A close look at the regional statistics indicates a correlation between GDP growth and the number of professional accountants in a region. On average, the higher the concentration of professional accountants – whether measured by the population or the GDP per accountant – shows a positive correlation with the growth in the GDP. This is consistent with findings by previous IFAC reports. The illustration below suggests two ways of measuring the concentration of professional accountants; population per professional accountant, and GDP per professional accountant – note that in the chart, the lower the value of the measures, the higher the concentration of accountants.

However, this is not the case for Southern Africa which has a relatively higher concentration of professional accountants, but surprisingly the lowest GDP growth. This could be attributed to other macroeconomic factors such as inflation, (which is the highest in the region), and also the impact of the Covid-19 lockdowns which was indicated<sup>5</sup> as more severe in Southern Africa. Details of the demographics and economic measures averaged above are in the appendices.

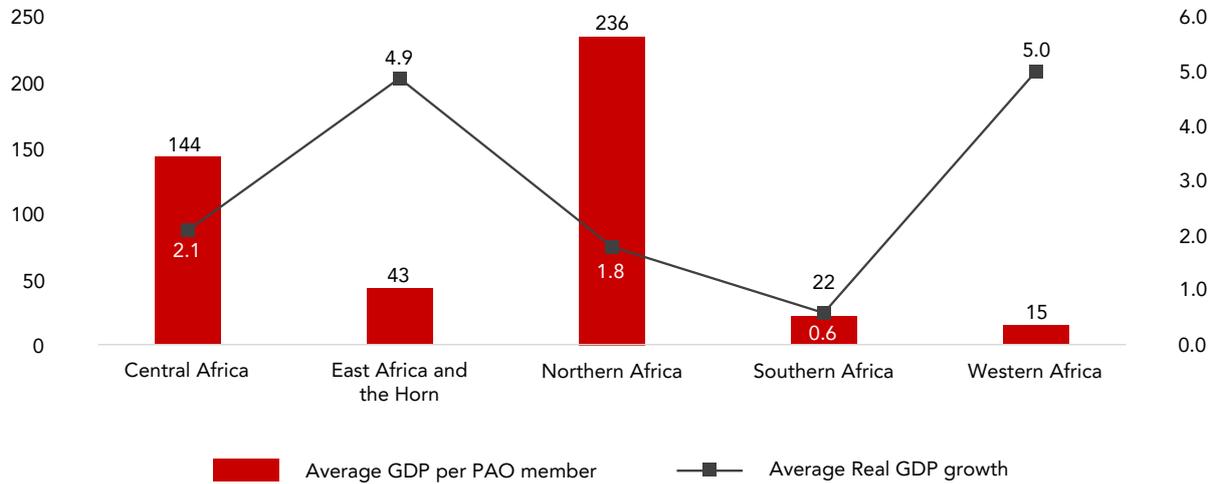
World Bank, 2020	Av. Population per PAO Member	Av. Real GDP growth	Av. GDP per PAO Member
Central Africa	86,050	2.1	144
East Africa and the Horn	48,474	4.9	43
Northern Africa	121,980	1.8	236
Southern Africa	10,705	0.6	22
Western Africa	15,699	5.0	15

Africa is home to a number of national, regional, and international PAOs. The continent has a prime opportunity to improve the rate of adoption and implementation of relevant accounting standards, including the International Standards of Auditing (ISA), and the International Public Sector Accounting Standards (IPSAS). As detailed in Appendix 1, the Eastern Africa and the Horn, and the Southern Africa regions appear to have gained a higher adoption rate compared to the other regions.

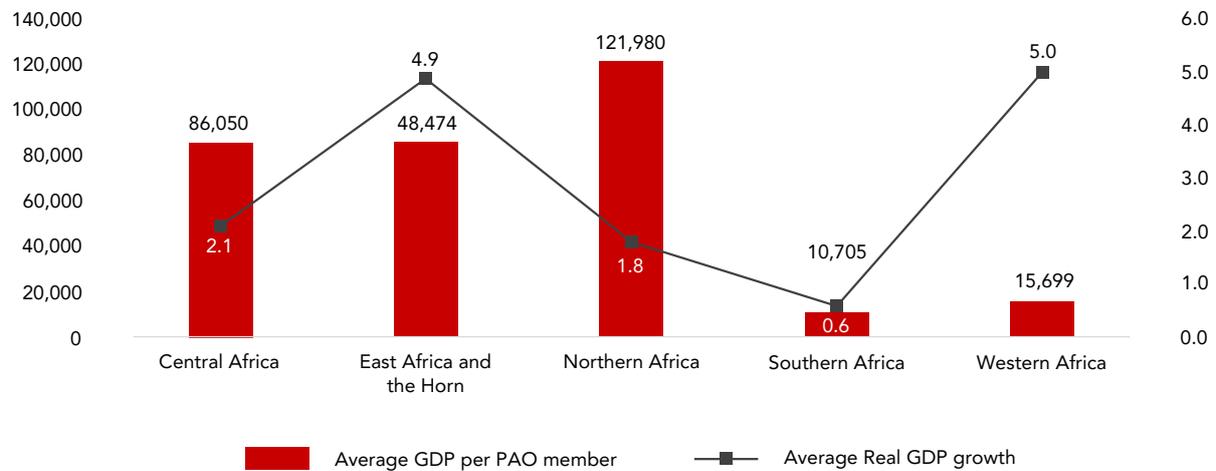
For example, by the number of countries in a region, Southern Africa leads in the adoption of the International Financial Reporting Standards (IFRS), which is the most preferred standard adopted globally. Almost 90% of countries in the region having adopted the IFRS as the 'financial reporting language'. This is followed by the Eastern Africa and the Horn, with 70% while the remaining regions achieve far lower rates of adoption.

<sup>5</sup> <https://www.worldometers.info/coronavirus/>

GDP PER PAO MEMBERS Vs GDP GROWTH



POPULATION PER PAO MEMBERS Vs GDP GROWTH



**Analysis of key survey results, findings and insights**

Four themes were used to analyse the data collected during the report: capacity building, partnerships, influencing for socio-economic development, and future-readiness of the profession. The continent was divided into five regions for the analysis: Eastern Africa and the Horn, Central Africa, Northern Africa, Southern Africa, and Western Africa.

**Capacity building**

**Skills shortages are a major challenge for the profession in Africa:** accountancy and finance professionals highlighted skill shortages as a major concern, especially developing technology astuteness among accountants. Meanwhile, the expectation of accountancy professionals to contribute more to business strategy has emphasised the need to improve skills in strategy development, market intelligence and performance management.

Finance professionals in Africa also need to acquire/improve skills in relatively new concept areas, including climate change and Environmental, Social and Governance (ESG) disclosure requirements. Even in more traditional roles, it's believed that the profession could benefit some more from well-targeted capacity building interventions. And the same can be said of the public sector, where the insufficiency or absence of capacity has stalled important public financial management reforms – including the adoption of international standards.

**PAOs are a major driver of development:**

PAOs are involved in numerous activities aimed at advancing the profession and ensuring the next generation of accountants is prepared for the future – this cannot be understated. Many PAOs have prioritised certain responsibilities – membership licensing, self-regulation, student education and CPE – or so it may seem. These were members' top four choices for functions from a list that also included responsibilities for advocacy and standard setting. However, when asked about their perceptions of PAOs in their efforts to influence public policy, many respondents claimed that PAOs adopt a proactive stance and serve as thought leaders for the profession. Considering that PAOs are involved in activities that are beyond being considered 'traditional', it would help for them to improve their member and public engagement.

Roundtable participants urge PAOs to reconsider their approach to (Continuing Professional Education) CPE for an Africa-wide strategy that achieves uniform skills development across the continent. CPE is essential for professional advancement – and the effectiveness of these learning resources must be evaluated to encourage increased participation from professionals. PAOs are also advised to improve their research skills to fully comprehend the socio-economic challenges towards learning programmes. In the public sector, the study highlighted the need for revised learning strategies to address several concerns. These include the waning commitment of younger generations to

complete their professional qualification – and low pass rates in employee. The profession and PAO members must proactively engage with governments and their institutions to develop effective solutions.

## Partnerships

**Strategic alliances among stakeholders should be optimised:** partnerships exist among PAOs on the continent, and between PAOs and stakeholders – for regulation, curricula development, funding, technical support, public policy formulation, practical training, etc. Typically, PAOs and their stakeholders agree to various Memorandums of Understanding (MOUs) intended to guide collaboration. Survey respondents, however, believe these MOUs are not comprehensively implemented – resulting in the profession not fully realising its positive objectives such as strategic alliances targets.

For example, a more focused approach to carry out MOUs could enable the profession to contribute more effectively to higher education institutions (HEIs). This could enhance curricula, improve access to well-designed internships, and participate in the design of socio-economic development programmes. For the public sector, such strategic alliances could address the significant professional and technical competency deficit while removing current biases. Strategic alliances could also be leveraged to identify the sector's capacity needs, and complete annual reviews to clarify their progress.

**Fusing PAO and regulatory functions in a single organisation could present challenges:**

In several African countries, there are organisations with regulatory authority that are also involved in functions typically associated with PAOs. These organisations often have a national focus – they're responsible for the development and enforcement of standards specific to their respective jurisdictions, as well as deciding on the adoption of international standards, etc. In the survey, many respondents identified an overlap between the functions of POAs and local regulatory bodies as key challenge inhibiting PAOs.

Respondents recommended clear role separation to enable the regulator to focus on matters related to standards. Impartial regulation and enforcing compliance are among the most accurate techniques for regulators to use – and could ensure the adoption and implementation of international standards in Africa. PAOs are encouraged to remind themselves of these matters when engaging with country-level public sector institutions (accountants-general, auditors-general, ministries of finance, etc.), and influential regional bodies, such as AAAG<sup>6</sup>, AFROSAI-E and ESAAG.

### Influencing for socio-economic development

#### ***The profession's paradox is building ethical and sustainable business, while lacking in ESG acumen:***

almost half of accountants praise the profession for building sustainable and ethical businesses across Africa. This confidence is not spread evenly across the continent; optimism is much higher in Eastern Africa and the Horn (especially Rwanda, Tanzania, and Zambia), and lowest in Central Africa. There doesn't seem a difference in the views of public and private sector accountants towards ethical and sustainable business. Professionals in the mining industry are even more positive in this conviction. At continental level, professionals in most age categories – millennials, late boomers, and Gen Z – all share the view that the profession contributes to the building of ethical and sustainable business practices; however, early boomers are less optimistic.

Professionals across Africa are much less optimistic about the contribution to reports on the impact of business activities on the environment and society. This is an opinion that is shared among responses across various perspectives – regionally, sector/industry, or age categories. A key factor for this lack of confidence is the professional's admission they have a limited understanding of ESG – and feel challenged by what is required of them in this space.

As many as 20% of survey respondents do not envisage a role in the ESG agenda for the profession or professionals – while approximately half do not align with ESG-related duties/obligations and the traditional roles of the accountant. From the survey, 92% of professionals in the mining industry do not see ESG among the industry's top three future-altering trends, and 40% of all surveyed members emphasised the ability to incorporate climate change and ESG into financial reporting as a major skills gap. The profession must, therefore, consider enhancing the curricula and CPE to ensure specialist learning is available to professionals in both sectors.

#### ***The profession is contributing to professionalising public sector institutions:***

once again, professionals in Eastern Africa and the Horn express more confidence in the profession's contribution to building capacity and driving institutional reform in the public sector. The region is joined by professionals practicing in Southern Africa. From a sector perspective, more members in the public than the private sector believe the profession is effectively helping professionalise the public sector. Almost all members believe the profession has the capacity (ie knowledge, expertise and experience) to support public financial management reforms.

This suggests that there might be factors other than capacity that prevent the profession and professionals from having an even greater impact. This is particularly apparent when juxtaposed against the feedback from heads of some public sector stakeholder institutions. They confirm that capacity constraints – and in some cases a weak political will – have prevented more rapid professionalisation of the public sector. To deepen its footprint in Africa, the profession must determine how to address these impediments. Stakeholders want the profession to play a more significant role in influencing public policy – and to serve as trusted advisors to governments on socio-economic development initiatives. They expect the profession to help achieve Africa's growth objectives such as the AfCFTA Agenda.

## Future-readiness of the profession

### ***The profession has enthusiastically captured an image of the future... is it accurate?***

most accountants believe that the digital transformation of finance and accountancy will be the profession's biggest game changer over the next decade. Next is expanding skills to include emergent technologies, third is increased availability of qualified consultants, and fourth is using robotic process automation (RPA) to optimise accounting processes. Startlingly, survey respondents do not expect ESG to have any meaningful impact on the profession and professionals over the next 10 years. This is another indication that the profession has not yet properly recognised ESG as a business imperative – or its implication on the role and skills of accountants.

When asked about the profession's preparedness to thrive in the future, members confirm their conviction loudly. Almost 80% of the survey respondents noted that the profession was already prepared, or sufficiently agile, to meet demands brought by the future-altering trends. Professionals in Eastern Africa and the Horn lead the continent in this optimism. Western Africa's professionals are also positive, but Central Africa's professionals express more pessimism.

Public and private sector accountants agree about the profession's state of readiness. For the public sector, the future professional is expected to have a responsible mindset to value ethical behaviour and protect public resources from misuse/abuse by persons in authority. Professionals in the mining sector are, however, least optimistic about the profession's state of readiness. Young professionals (Gen Z) express belief in the profession's ability and a readiness to make a difference in the future of society... perhaps, the same conviction that drew them to accountancy as a career.

***The profession must equal enthusiasm with deliberate action to reach a true state of readiness:*** members acknowledge that PAOs have a responsibility to future-proof the profession and professionals. They also emphasise that PAOs should be strategic and extend their reach by sharing this responsibility with other powerful, influential stakeholders, standards setters, practice firms and HEIs.

Stakeholders suggest changes to curricula and CPE to enhance technology-related topics, ESG, good governance and ethics; and a restructuring of certification exams and grading to ensure the profession is future-proofed. Practice firms are encouraged to sharpen their focus on technology-based professional service offerings. A regional scan shows that the most favoured solution to preparing for the future is changing curriculum and examination. Northern Africa's professionals, however, seem to disagree to some extent with the rest of the continent, as well as among themselves.

Overall, the accountancy and finance profession is trusted to be deliberate in taking steps to future-proof itself and the professional. Indeed, stakeholder roundtable participants emphasised the importance of boldly implementing actions that will equal the enthusiasm expressed about the profession's state of readiness. One participant aptly captured this: 'PAOs must constantly screen for new trends and appropriately capture these as they develop, structure, update their curricula and CPD to ensure that they are deliberately working to create future-ready, future-fit accountants'.

## Emergent trends, opportunities and challenges facing the profession

The following emerged from the roundtables as key trends particularly relevant to the profession:

- Digitisation/digitalisation and automation of the finance and accounting function
- Changes in accounting standards
- Increased integration of the accountancy and finance professional with business strategy and operations
- Upskilling and re-skilling of accountants
- Partnerships/effective collaboration.

The following were also established from the roundtables as being among the profession's key opportunities and challenges:

- Need for increased engagement with the public sector
- Rapid and radical evolution and application of emerging technologies
- Differences in the models of PAOs and the profession between English and French-speaking countries in Africa
- Lack of awareness and understanding of the climate change/ESG agenda
- Imbalance between the skillset of HEI graduates and the expectations of the work environment
- Obstacles to full adoption of international standards.

## Conclusion: calls to action

Our exploratory report has provided very interesting insights into the state of the profession in Africa. Without a doubt, accountancy – just as other professions and occupations – is contributing significantly to the socio-economic development of Africa (albeit not at the same pace across the entire continent). Similarly, there is no doubt that the profession is capable of retaining its place in business and society. And perhaps play an even more important role in directing the future of business – as it cedes more of its traditional roles to intelligent technology.

To ensure this future of the profession, the report concludes calls to action directed at various stakeholders in its ecosystem. It behoves stakeholders to commit and execute proposed actions to contribute to the full realisation of the envisioned future for Africa's accountancy profession before the turn of the decade.

### Professional accountancy organisations (PAO)

1. Prioritise upskilling and reskilling members to close core skills gaps. These should include non-traditional areas, such as incorporating climate change and ESG agenda into financial reports – as well as strategy planning and market intelligence skills to adapt to the evolving roles of accountants.
2. Deepen the focus on professionalising public sector accountancy through targeted capacity-building initiatives. And act as trusted advisor on Public Financial Management (PFM) reforms, including the adoption and implementation of IPSAS.
3. Push even harder on the agenda to adopt and implement international standards on the continent and – where appropriate – the harmonisation of national and international standards.
4. Review curriculum and examinations to facilitate learning that will prepare professionals for the future.

### Higher educational institutions (HEIs)

1. Review learning delivery methods/ approaches to increase students' exposure to practical work/life experiences. And support their preparation to play a role in problem-solving environments.
2. Increase collaboration between relevant stakeholders/partners – practice firms, PAOs, etc – to periodically review and forecast skills or talent requirements while staying informed of curricula changes/updates.

**Regulators and standards setters**

1. Facilitate the development of French interpretations for the IFRS to ease implementation in French-speaking countries.
2. Define clear roles between PAOs and regulators while enforcing impartial regulation and adherence to rules by PAOs and their members.
3. Assume a larger, more proactive role in driving harmonisation of national and international standards as a contribution towards Africa's socio-economic development goals – as captured in Africa Agenda 2063.
4. Work closely with PAOs to regularly review the minimum professional licensing (initial and continuing) requirements.

**Specialist groups (including chambers of commerce/ employer associations)**

1. Specialist groups (eg SME development, technological advancement, ESG, etc) should establish formalised platforms/ channels to facilitate sharing knowledge and experience with – and feedback from – educational providers/learning institutions (including PAOs). This will help strengthen the faculties available to such organisations institutions and enrich the education/ training provided to accountancy students – enabling them to make a greater impact when they enter the profession.

**Practice firms**

1. Collaborate with HEIs and PAOs, and proactively seek to influence and contribute to curriculum and content development – as well as examination and grading at these organisations/institutions.
2. Take a deliberate approach to the implementation of in-house internship programmes to ensure that accountancy students receive optimum benefits.

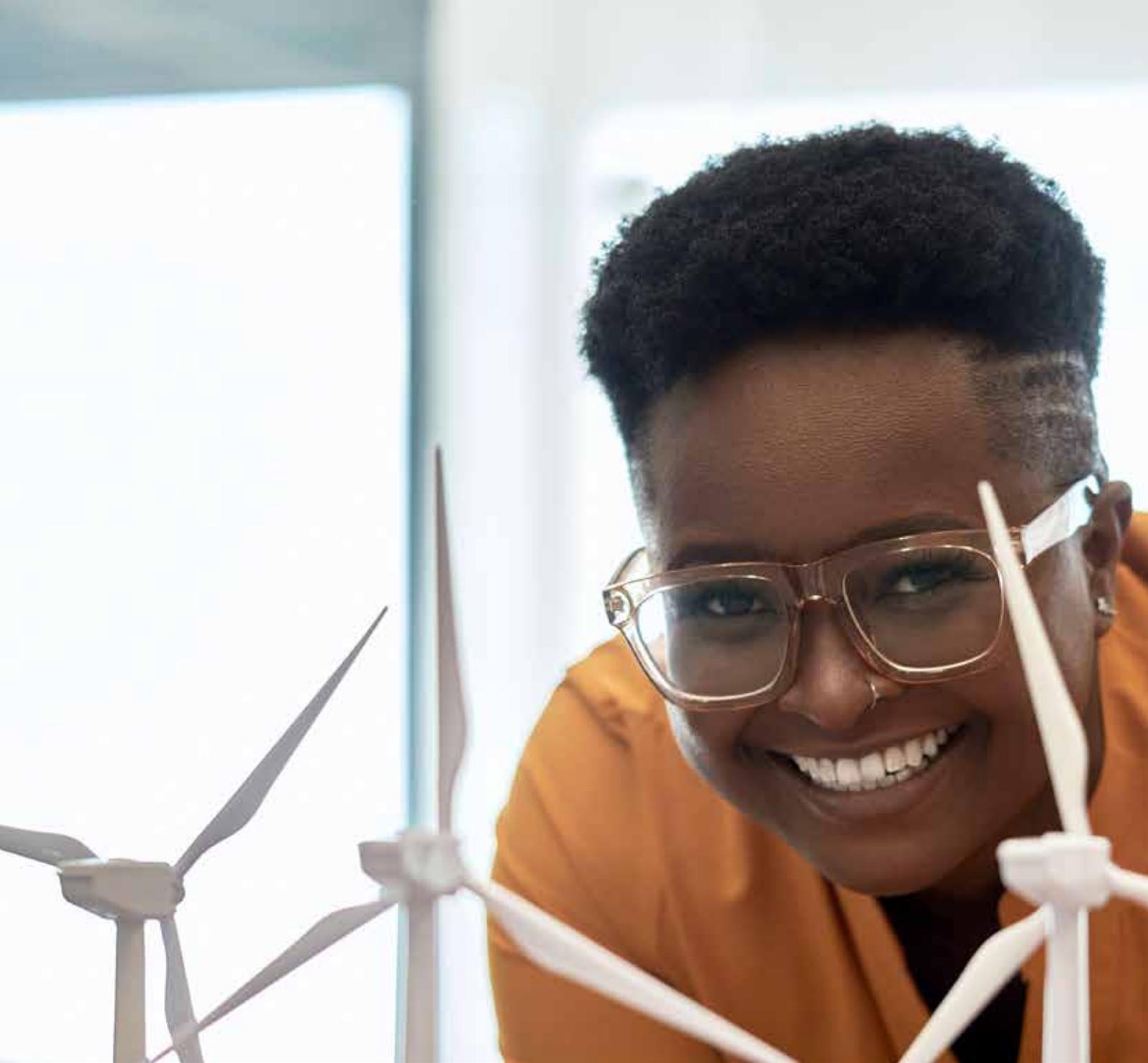
3. Continue to offer professional expertise at the disposal of various stakeholder organisations (eg governments/ public sector entities and international development agencies) that have a role to play and the resources to support socio-economic development.
4. Develop/enhance relevant technology-based service offerings to provide training opportunities for accountancy professionals.

**International development agencies**

5. Contribute to sustainable, relevant and credible PAOs across Africa by strengthening their institutional capacity to roundly deliver a future-proof mandate that covers all levels/types of the accountancy and finance professional in both the private and public sectors.
6. Encourage governments to adopt IPSAS and include robust capacity building projects into their applications for funding PFM reforms.

**Governments and public sector institutions/ stakeholders**

1. Drive efforts to enhance transparency, accountability and responsible governance in public sector institutions. This includes establishing a national and regional baseline of public sector accountancy capacity – identifying the gaps and taking actions to address them.
2. Collaborate with appropriate country-level partners/stakeholders to agree and establish minimum indices/indicators to measure professionalisation while seeking support to implement medium-term programmes that improve professionalisation.
3. Make training in good governance and ethics a mandatory CPE requirement for professionals at all levels in the public sector – and include training and evidenced ethical behaviour key inputs for performance appraisals and recognition in the public sector.



Without a doubt, accountancy is contributing significantly to the socio-economic development of Africa...



# Background and Context

**Our report explores the state of the accountancy profession in Africa. We examine the demand and profile of the profession – and how it can build professional and institutional capacity to meet diverse stakeholder expectations across different sectors.**

The global accountancy profession has seen significant changes over the last decade. This includes disruptions to financial markets, converging international standards, and adoption of digital and ESG strategies to manage businesses and the larger economy. The profession is on a crucial journey of transformation – but disparities and inconsistencies in professional practices remain across the continent. To succeed, the profession in Africa must adapt to stakeholders’ changing needs, challenges, opportunities and priorities to close capacity gaps.

Our report addresses stakeholders in Africa’s accountancy and finance ecosystem and contributes to defining the profession’s landscape. It highlights opportunities to focus on professional development and can inform national and regional development planning. It will also guide engagements with development partners on related initiatives – influencing fiscal and socio-economic transformation in the continent.

The report reinforces the central role of the accountancy profession in facilitating cross-disciplinary discourse, raising diverse critical awareness, guiding development decision-making, and enabling regional collaboration to drive sustainable growth across Africa’s economies.

This report was a collaborative effort between PAFA, ACCA and PwC to determine the current and emergent state of the profession in Africa. We used a combined engagement approach that included an Africa-wide members’ survey, stakeholders’ roundtable discussions, and interviews with selected experts who work in the public sector.

Over 100 professional accountants across different roles from around the continent attended the stakeholders’ roundtable. To facilitate in-depth discussion, seven stakeholder groups – comprised of established professionals — were formed to share perspectives on the challenges and opportunities that exist for the profession to:

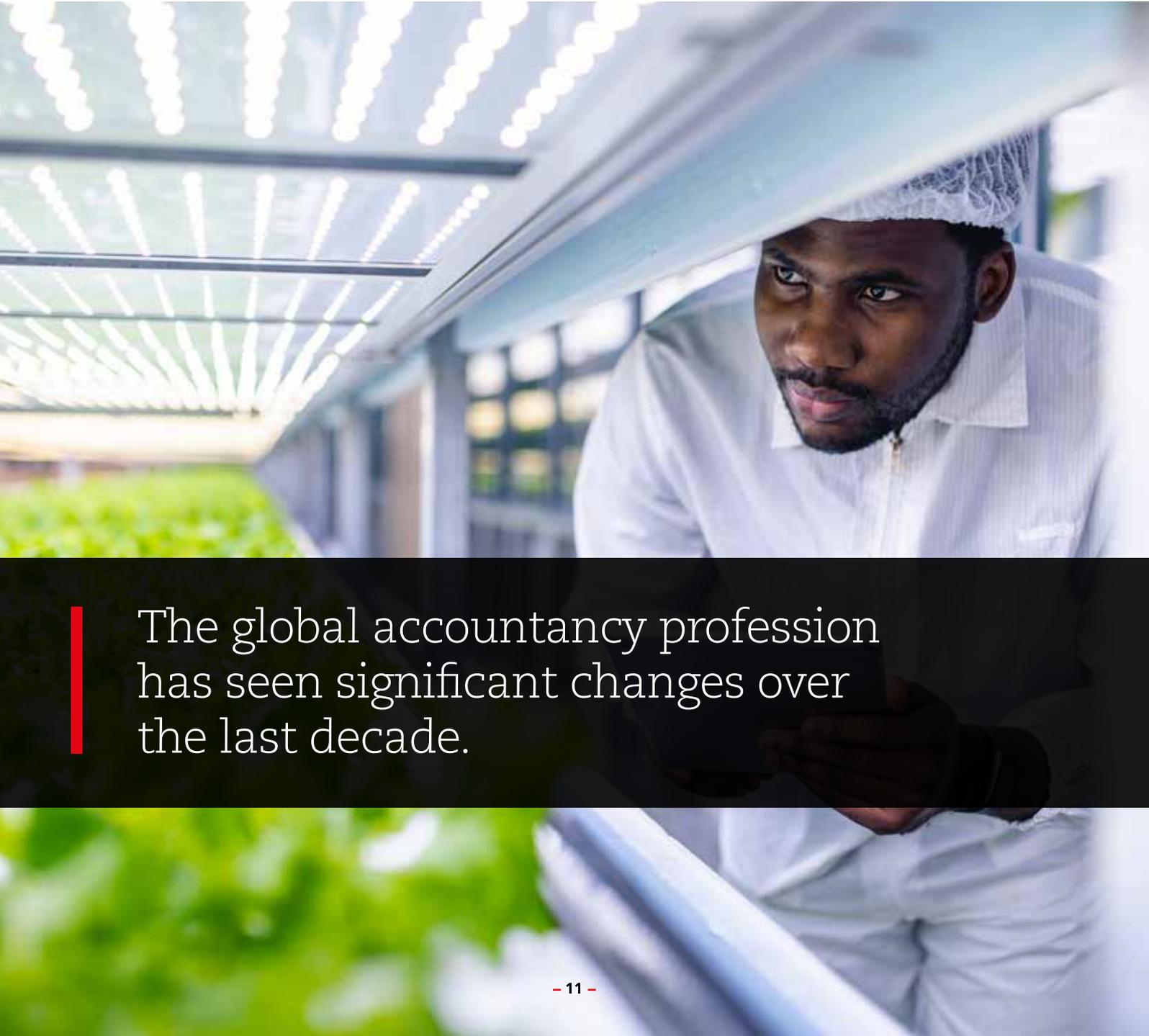
- a. strengthen its capabilities
- b. support the diverse needs of stakeholder communities
- c. recommend policy actions for development.

The stakeholder groups were:

1. Higher education institutions (HEIs)
2. Professional services providers and practice firms
3. International agencies and donor institutions
4. Regulators and standard setters
5. Specialist groups: digitech; ESG/climate change; small and medium enterprises (SMEs); key learning partners
6. Chambers of Commerce (eg, employers, human resource personnel or recruiters, etc)
7. Professional accountancy organisations (PAOs).

**The main objectives of our report are:**

- to determine the challenges and opportunities for professional development in Africa – and support sustainability and transformation of the profession
- to enhance collaboration and synergies among key stakeholders
- to emphasise how development initiatives will be most effective in influencing fiscal and socio-economic reform.



The global accountancy profession has seen significant changes over the last decade.

# The African economic landscape

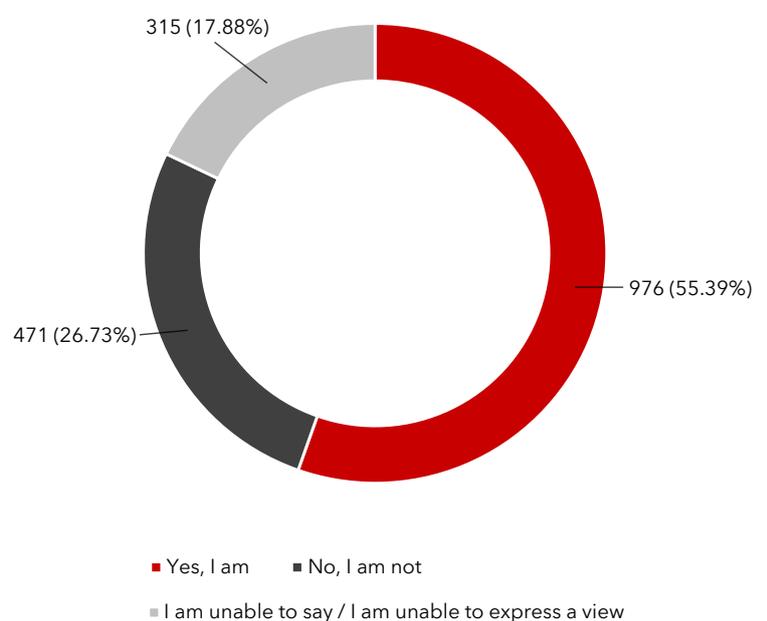
The African continent is made up of 54 sovereign countries with a diverse population, culture, economy and history. Africa is the world's second-largest continent by land area and population – its population is rapidly increasing, and is estimated at 1.3 billion people by the United Nations<sup>7</sup>.

Africa has abundant natural resources, with agriculture accounting for a large portion of the economy. Africa's economic outlook continues to brighten – GDP was estimated to be 3.1% in 2019<sup>8</sup>. This was reduced to 2.1% in 2020 due to the impact of the Covid-19 pandemic. However, the continent is expected to grow by 3.4% in 2021<sup>9</sup> – a rebound fuelled by elevated commodity prices, a relaxation of stringent pandemic measures, and recovery in global trade<sup>10</sup>.

The survey results present respondents' perspectives on Africa's economic and development outlook, and factors that are seen to support or hinder growth.

Over half of the survey respondents are optimistic about the continent's economic prospects. Respondents over the age of 65 (early boomers) are more certain in their optimism. While 76% of early boomers are optimistic about the continent, only 50% of respondents aged 15–35 (Gen Z) feel the same way. Nonetheless, 64% of respondents aged 45–65 agree with this optimism, as well as 57% of those aged 35–45. Relative to other age groups, a greater proportion of Gen Z (22%) are unable to express an opinion on the continent's future.

ARE YOU OPTIMISTIC ABOUT YOUR COUNTRY'S MEDIUM-TERM OUTLOOK FOR ECONOMIC GROWTH AND DEVELOPMENT?



7 <https://www.un.org/en/global-issues/population>

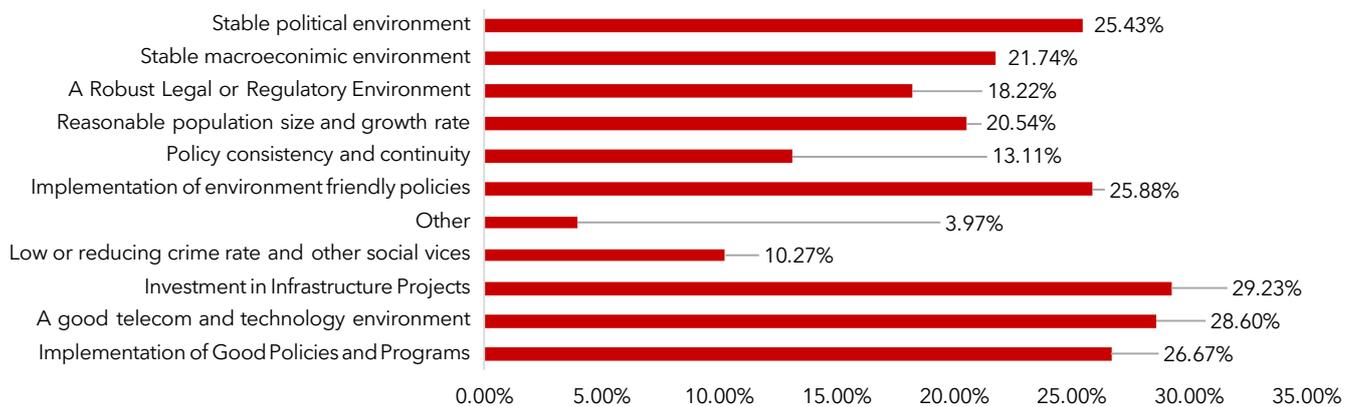
8 [https://au.int/sites/default/files/documents/38116-doc-african\\_economic\\_outlook\\_2020\\_.pdf](https://au.int/sites/default/files/documents/38116-doc-african_economic_outlook_2020_.pdf)

9 <https://www.afdb.org/en/documents/african-economic-outlook-2021>

10 <https://www.worldbank.org/en/region/afr/overview#1>

Professionals from Eastern Africa and The Horn are most positive about the continent's economic prospects. This stance is supported by 68% of all respondents – with 48% of respondents in Western Africa and 47% in the Southern Africa regions agreeing. In comparison, 32% of Central Africa respondents and 41% of Northern Africa respondents had an optimistic outlook. But more than a third of respondents in Central Africa (39%) are disheartened about the continent's economic prospects.

### TOP REASONS FOR OPTIMISM



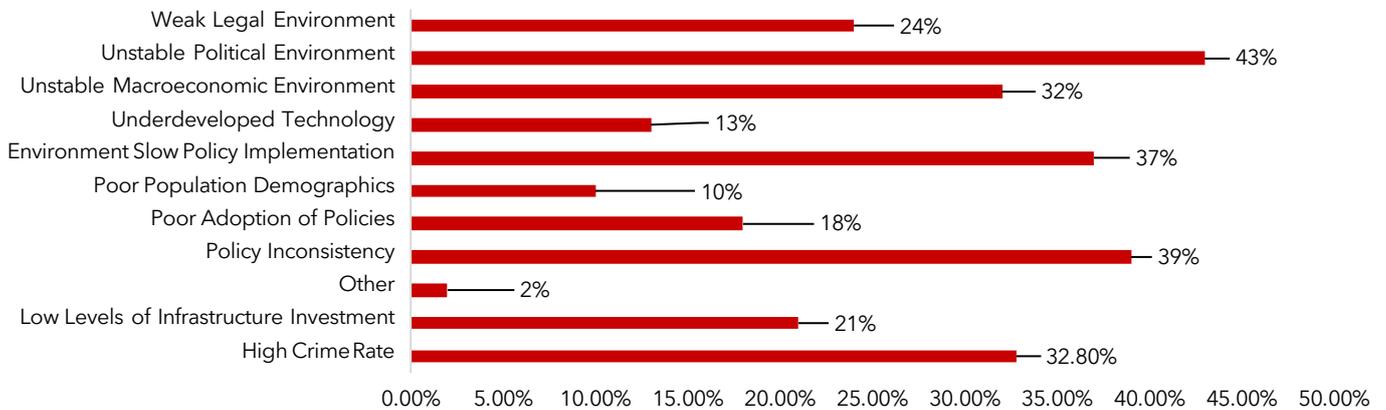
Optimistic respondents identified four major reasons for their positive outlook:

1. Implementation of good policies and programmes that have medium to long-term socio-economic benefits.
2. An effective telecom and technology environment that supports key aspects of business and life, including education, health, agriculture and research and development.
3. Considerable levels of investment in infrastructure projects.
4. Implementation of policies and programmes to encourage the protection, restoration and sustainability of the environment.

While most respondents in Eastern and Southern Africa agree with the widely held perspective of optimism, respondents in Western Africa have slightly different reasons for their positive economic and developmental outlook. As well as a structured telecom and technology environment and considerable levels of investment in infrastructure projects, Western Africa respondents are optimistic about:

1. Reasonable population size/growth rate/composition/distribution, etc; interventions in the social sectors (eg education, health)
2. Stable political environment; political and media freedoms; maturing or mature democracy; strong political leadership and direction.

### TOP REASONS FOR PESSIMISM



Generally, respondents across Africa are not excited about the impact that the following points will have on the continent’s economic and development outlook:

1. Unstable political environment; political and media restrictions; immature or weak democracy; weak political leadership and direction
2. Policy inconsistency; poor collaboration between technocrats, bureaucrats and the political class
3. Slow implementation of policies and programmes that have medium to long-term socio-economic benefits
4. High or increasing crime rate; high or increasing unemployment rate; low tolerance for ethnic, cultural and religious diversity
5. Unstable macroeconomic environment does not support a conducive business environment; poor inflow of investments, including Foreign Direct Investment (FDI).

The above reasons are expressed by most of the respondents from all regions except Northern Africa. In addition to factors 1, 2 and 5, Northern Africa respondents are pessimistic about the low levels of investment in infrastructure projects.



The African continent is made up of 54 sovereign countries with a diverse population, culture, economy and history.

# The Africa accountancy profession landscape

Accountancy and finance professionals significantly contribute to economic development at all levels; local, national and globally. In a survey conducted by the International Federation of Accountants (IFAC)<sup>11</sup>, an increase of 500 accountants per million (in population) correlated with an increase of US\$5,073 in GDP per capita. The role of accountants in economic development cannot be overemphasised. Ideally, Africa – being the second largest continent in the world with an estimated 1.3 billion population – should have a vibrant accountancy landscape. Professional accountants in Africa make up 0.012% of the continent’s population; in absolute terms, there are estimated to be 123,000<sup>12</sup> professional accountants in Africa.

A close look at the regional statistics indicates a correlation between GDP growth and the number of professional accountants in a region. On average, the higher the concentration of professional accountants – whether measured by the population or the GDP per accountant – shows a positive correlation with the growth in the GDP. This is consistent with findings by previous IFAC reports. The illustration below suggests two ways of measuring the

concentration of professional accountants; Population per professional accountant, and GDP per professional accountant – note that in the chart, the lower the value of the measures, the higher the concentration of accountants. However, this is not the case for Southern Africa which has a relatively higher concentration of professional accountants, but surprisingly the lowest GDP growth. This could be attributed to other macroeconomic factors such as inflation, (which is the highest in the region), and also the impact of the Covid-19 lockdowns which was indicated as more severe in Southern Africa. Details of the demographics and economic measures averaged above are in the appendices.

Across Africa, some national PAOs may also act as the accountancy regulator for the country. A few international PAOs operate in Africa, including ACCA. The PAO/profession model varies across the continent – with variances including the types and categories of qualification, the industries and sectors covered in PAO membership, etc. The most notable variance in the PAO/profession model is in English and French-speaking countries.

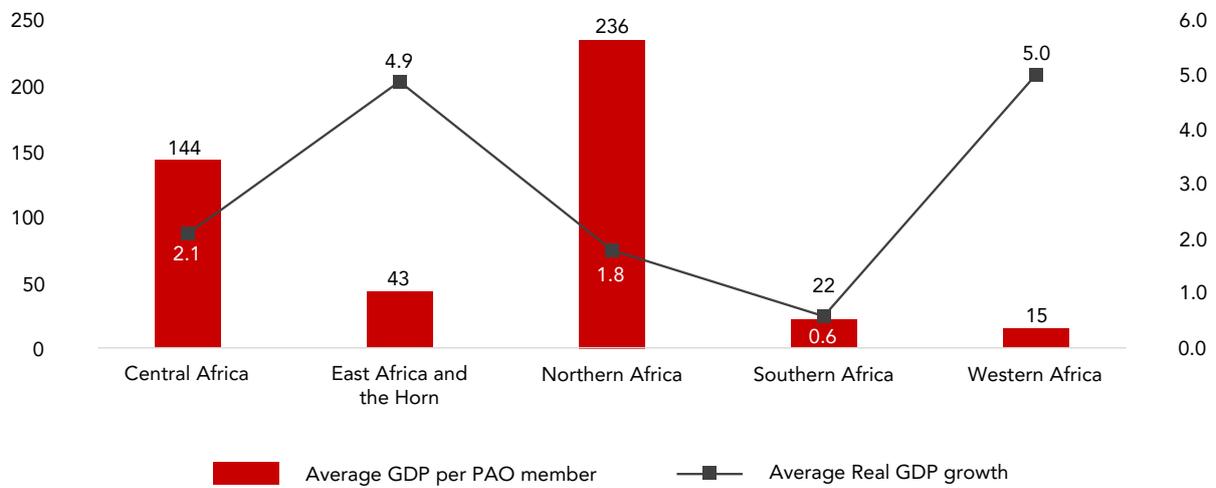
World Bank, 2020	Av. Population per PAO Member	Av. Real GDP growth	Av. GDP per PAO Member
Central Africa	86,050	2.1	144
East Africa and the Horn	48,474	4.9	43
Northern Africa	121,980	1.8	236
Southern Africa	10,705	0.6	22
Western Africa	15,699	5.0	15

11 <https://www.ifac.org/knowledge-gateway/contributing-global-economy/publications/accountants-role-economicdevelopment>

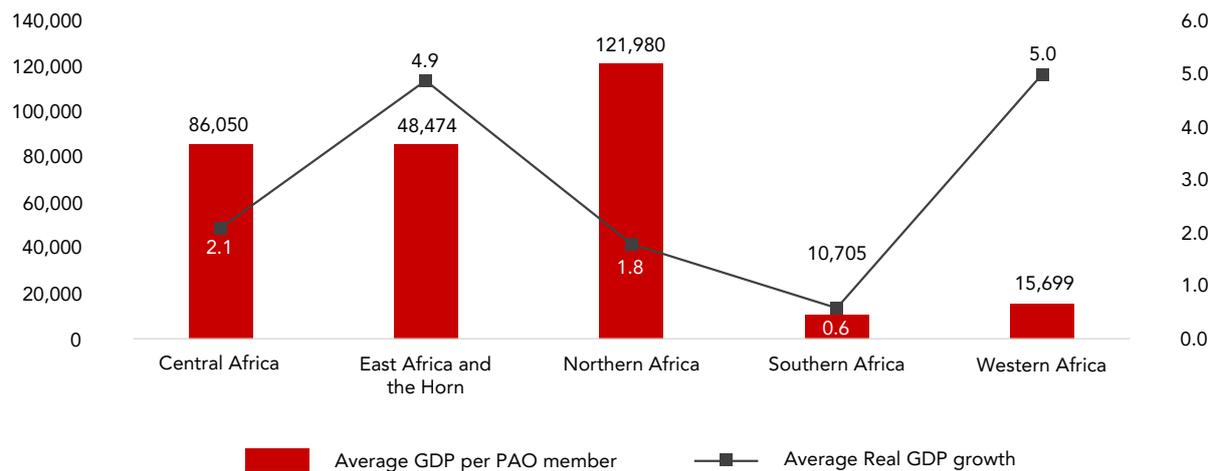
12 The total number of fee-paying members declared by PAOs for purposes of calculating their 2022 PAFA membership subscriptions, including members of international bodies registered with the national body. A fee-paying member is defined as a member with a qualification from the PAO who has paid his/her annual PAO membership fees in full and who is eligible to vote on matters of the PAO.

13 <https://www.worldometers.info/coronavirus/>

### GDP PER PAO MEMBERS Vs GDP GROWTH



### POPULATION PER PAO MEMBERS Vs GDP GROWTH



PAO membership of multilateral professional accountancy bodies like PAFA and IFAC strengthens the profession’s influence and capacity, facilitates access to resources, and supports the adoption and implementation of international standards. The report’s preliminary findings revealed that approximately 80% of PAOs in Africa are members or associates of PAFA, while approximately 60% of PAOs are members or associates of IFAC.

The OECD Principles of Corporate Governance is fully adopted by 25%, and partially adopted by 14% of respondents. The International Auditing and Assurance Standard Board’s (IAASB) International Standards on Auditing (ISA) and the International Ethics Standards Board for Accountants’ (IESBA) International Code of Ethics

for Professional Accountants are fully adopted by 48% and 36%, and partially by 5% and 36% of respondents respectively. IPSAS is fully adopted by 39% and partially by 39% of respondent governments while IFRS is fully adopted by 41% and partially by 20% of participating countries. The International Education Standards and the International Standards on Quality Control are fully adopted by 34% and partially by 39% the participant countries respectively. Stakeholders who participated in the roundtable believe that adoption rates are improving – and it’s recognised that the level of adoption does not necessarily correlate with the level of implementation. Country demographic and economic measure summaries are shown in Appendix 1.



The survey received responses from members of various PAOs from across the continent.

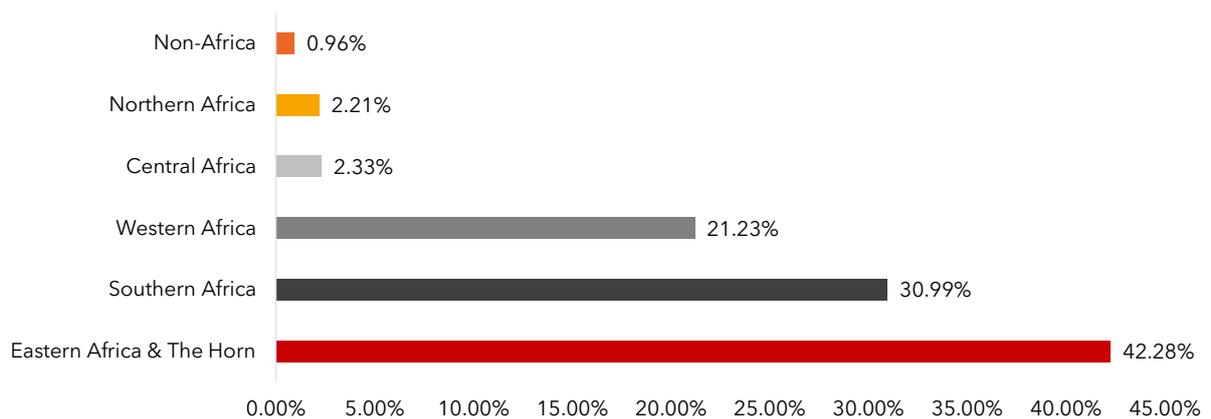


# Study results: key analysis

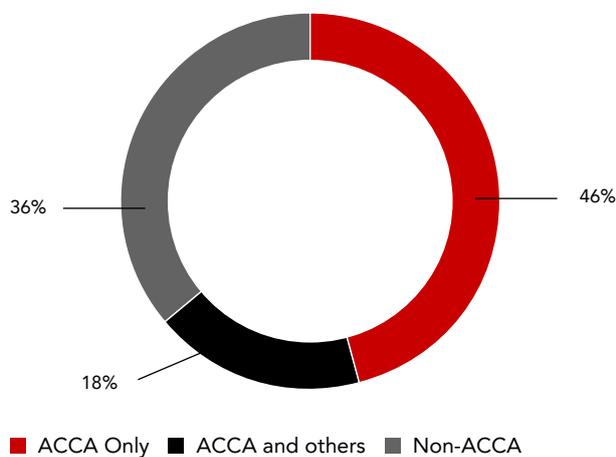
## Study demographics

The survey received responses from members of various PAOs (ie professional accountants) from across the continent. The responses cover 48 African countries and 1,762 professionals – 46% of whom are certified solely by ACCA, with 18% certified by ACCA and other PAOs, and 36% certified by other PAOs alone. The demographic profile of respondents is neutral with the equitable distribution of responses from professionals.

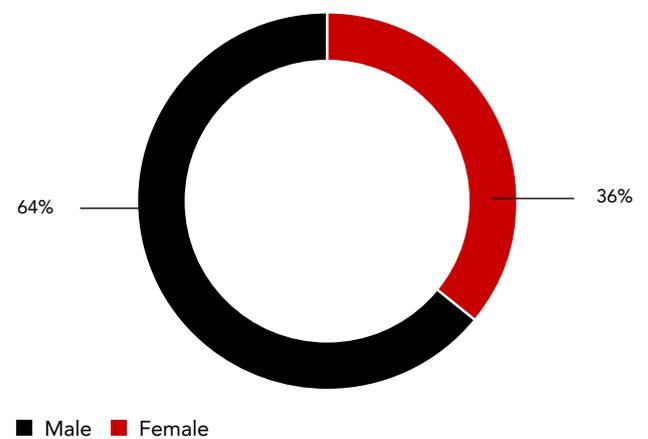
### REGION DISTRIBUTION



### PAO AFFILIATION TOTAL 1762

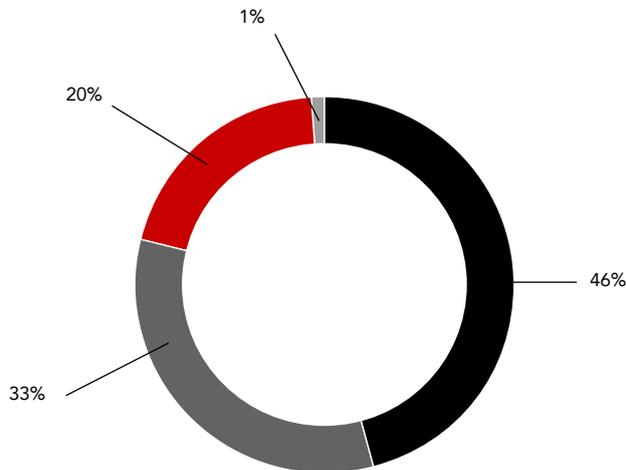


### GENDER OF RESPONDENTS TOTAL 1762



### AGE OF RESPONDENTS

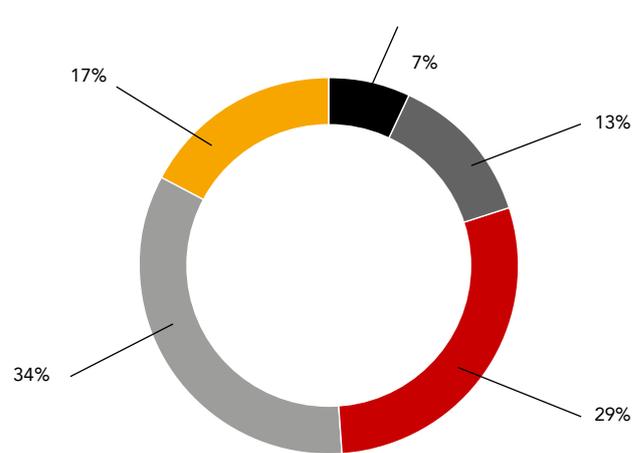
Total 1762



- Young professionals (15-35yrs)
- Mid-tier professionals (>35-45yrs)
- Management and executives (>45-65yrs)
- Retired professionals (above 65yrs)

### YEARS OF EXPERIENCE OF RESPONDENTS

Total 1762



- No experience (0yrs)
- Basic experience (1-3yrs)
- Moderate experience (3-10yrs)
- Experienced (10-20yrs)
- Very experienced (above 20yrs)

The survey responses have been analysed and the results framed by the four lenses used by our report to establish the state of the accountancy profession in Africa. These four lenses are:

1. **Capacity building:** what opportunities exist for learning to be restructured to ensure the next generation of accountants are prepared to lead the profession through the rapid evolution that is changing business?
2. **Partnerships:** what are the strategic alliances that accountancy stakeholders need to forge to ensure that the profession can roundly deliver on its promise to society?
3. **Influencing for socio-economic development:** what must 'step up to the plate and get counted' mean for professional accountants on a continent that is on the cusp of transformational socio-economic development – but also bedevilled with weak governance?
4. **The future ready professional:** what is meant by the future ready accountant, and how does that contrast with present and past professionals?

## Capacity building

Accounting and finance experts play critical roles in economic development. Professional accountants are the custodians of corporate reports, which can be used to both communicate an entity's performance and reflect on a country's economic and social advancement. Professional accountants have the task of defending the integrity of the corporate reports – ensuring that the source of information is indisputable and providing stakeholders with an accurate representation of the entity.

The value that accountancy and finance professionals bring to the process of corporate reporting transcends corporate performance measurement. They are principal resources for assessing the integrity of the investment climate while promoting investor confidence, which is critical to mobilising domestic and foreign finances for socio-economic development. Given the magnitude of accountants' responsibilities, capacity development is critical and cannot be understated by countries in Africa seeking economic development. The quality of an accountant's training determines the ability to take a pragmatic approach to current and emerging issues.

PAOs have an even greater role to play in enacting required adjustments and upholding standards that indicate a country's readiness and attractiveness for foreign investment. By assisting members to upskill their capacities, PAOs make a substantial contribution to high quality corporate reporting. PAOs also provide members with guidance and resources to help them maintain their professional competence while continuing to collaborate with authorities and public oversight bodies as prospective regulatory partners<sup>14</sup>.

Effective PAOs must not only prepare their members to remain relevant locally and globally, but also establish an enabling environment through effective partnerships with key stakeholders – including government and regulators – for the success and sustainability of the profession.

This section assesses the state of the profession in Africa in terms of capacity development for professional accountants, as well as the roles PAOs play in helping members enhance their capabilities. It also explores the opportunities that exist for learning to be developed. This includes a review of the enhanced roles that various stakeholder institutions can play to ensure that accountants are prepared to lead the profession through the rapid technological evolution that is changing the face of business.

### The roles PAOs play across Africa

At a strategic level, PAOs have a broad range of functions that include representing the voice of the profession and drawing on domestic considerations in the development of international standards and global initiatives. They also support stakeholders across sectors and the education community – producing thought leadership insights through collaboration, networking, sharing experiences, partnerships and joint initiatives.

Specifically, PAOs often operate as self-regulatory entities or in close collaboration with the regulator.<sup>15</sup> They are tasked with several responsibilities that include establishing appropriate institutional and governance structure to uphold the profession, creating a mechanism to enforce standards, preparing members with adequate capabilities, sustaining the relevance of the profession through partnerships, and acting in the public interest by strengthening the profession to effectively contribute to the economies they support.

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14 [https://cfr.worldbank.org/node/251#:~:text=Professional%20Accounting%20Organizations%20\(PAOs\)%2C,with%20potential%20partners%20in%20regulation](https://cfr.worldbank.org/node/251#:~:text=Professional%20Accounting%20Organizations%20(PAOs)%2C,with%20potential%20partners%20in%20regulation)

15 <https://www.ifac.org/knowledge-gateway/developing-accountancy-profession/discussion/capacity-building-context>

PAOs frequently interact with a variety of stakeholders to advance the profession. They serve as ‘super-connectors’ among stakeholders both inside and beyond their jurisdiction. These collaborations span across:

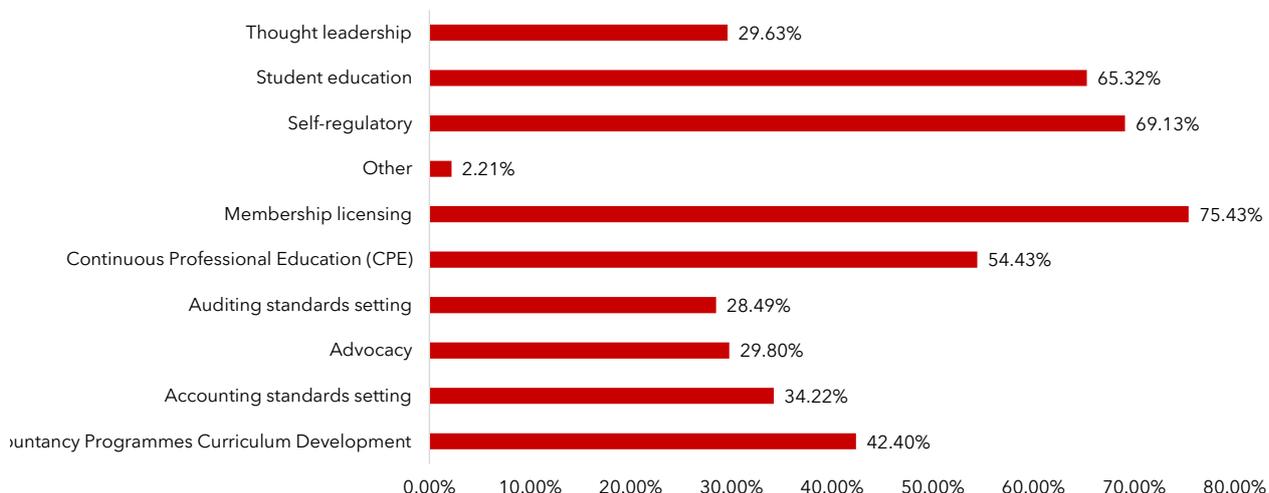
- a. the education community – including academic institutions and other professional bodies – to support future accountants and provide a pipeline into the profession
- b. government – where the PAO acts as trusted advisor on accountancy-related issues
- c. regional bodies – which provide tools, guidance and knowledge specific to PAO capacity building
- d. donor agencies – contribute to development through funding for specific programmes and projects
- e. individual members and practice firms – as employers and for support to develop and expand the profession to be future fit.

According to the IFAC *Establishing and Maintaining Effective PAO Partnerships report*<sup>16</sup>, a strong PAO must:

- act in the public interest
- produce and develop capable and competent accountancy professionals
- promote and enforce strong professional and ethical standards
- act as a resource to government, regulator, and other stakeholders
- enhance the quality of financial management and reporting.

Across Africa, national PAOs have performed a variety of responsibilities to maintain the profession’s quality and relevance. The following analysis shows respondents’ views on PAO roles and their performance.

**Q: Generally, what functions of the national PAO in your country are you aware of? Please select all that are applicable**



16 <https://www.ifac.org/system/files/publications/files/Good-Practice-in-PAO-Capacity-Building-Partnerships.pdf>

Respondents across Africa are most aware of four major PAO functions:

- membership licencing (75.4%)
- self-regulation (69.1%)
- student education (65.3%)
- CPE (54.4%)

**PAO:** *The functions that respondents were least aware of PAOs performing are:*

- thought leadership
- advocacy
- accounting standards setting

**Regions:** *in addition to the top four PAO functions, regional outliers are steering PAO development toward curriculum development and accounting standard setting activities.*

From the regional perspective, professionals' views on their PAOs vary slightly across jurisdictions. In Eastern Africa and The Horn, the same top four PAO functions are recognised. In Kenya, Rwanda, Tanzania, Uganda and Zambia, however, 50%-63% of respondents are also aware of their PAOs' curriculum development activities. And, 57% of respondents from Tanzania are aware of their PAO's accounting standard setting activities. Respondents from Ethiopia do not share the general views from the region as only 30% believe that PAOs are involved in CPE and student education. (This could be because the PAO in Ethiopia was not yet established at the time of the survey).

Western Africa professionals share similar views on PAO functions – with 51% being aware of their PAOs' curriculum development activities. This view is most strongly expressed by respondents from Ghana (61%) and Nigeria (53%) when compared to other countries in the region.

Views from Southern Africa also mirror the general consensus. In Central and North Africa, the views are spread across the PAO functions – with only a strong opinion for membership licencing (61%) in Central Africa.

**The age factor:** *although retired professionals align with the top four PAO functions, their views are not as strongly stated as those of the other age groups.*

In general, the views on PAO functions are more powerfully expressed by all age groups than retired professionals. Young professionals/ Gen Z, mid-tier professionals/millennials and management and executives/late boomers align strongly with the top four PAO functions – but fewer retired professionals/early boomers do. Retired professionals believed that PAOs perform less in terms of self-regulation (48%), student education (38%), and membership licencing (57%).

In comparison to the other categories, management and executive/late boomers are slightly more aware of PAO engagement in CPE. This is the view of 62% in this category – compared to 48% of retired professionals.

From the regional perspective, professionals' views on their PAOs vary slightly across jurisdictions.

### Insight 1: Are PAOs in Africa functioning adequately?

Comparing IFAC's outline<sup>17</sup> of PAO functions to the four that respondents are most aware of, suggests that PAOs in Africa have to work harder to increase the visibility of all functions they perform to support the profession's growth. Responses indicate an even further divide – with approximately half of all respondents excluding CPE from their top four PAO functions. Similarly, fewer than half of respondents noted they are aware that PAOs are involved in establishing accountancy programme curriculum, which should be good practice for keeping the curriculum up to date.

*Regional outliers could indicate the direction of institutional development where PAOs increasingly enhance their capacity to provide additional activities in 'curriculum development' and 'accountancy standards setting'.*

In this period of increasing cross-border trade and investment, knowledge transfer between PAOs will improve their learning curve to mitigate obstacles to focussed development. Survey respondents believe that PAOs do not prioritise developing accounting and auditing standards, which would directly impact the quality of financial management and reporting across countries.

- PAOs must bolster efforts to streamline processes, raise transparency through international comparability of financial reports, and improve the quality of financial information – enabling investors and other market participants to make informed economic decisions.

The following are excerpts from roundtable discussions highlighting areas for capacity development:

*'Traditional roles for professional accountants are being overtaken by technology at a very fast pace. PAOs must reinvent themselves and ensure that they embrace the techno age to remain relevant.'*

**Faith Ngwenya, SAIPA, South Africa, PAO Stakeholder Group**

*'My view is that standardisation across the board may be a tough call since CPD is generally new knowledge. Maybe the concept of minimum hours may need to be reviewed since a lot of participants register and either partially show up or not. I would suggest that some form of testing the knowledge gained is required.'*

**Unnamed, PAO Stakeholder Group**

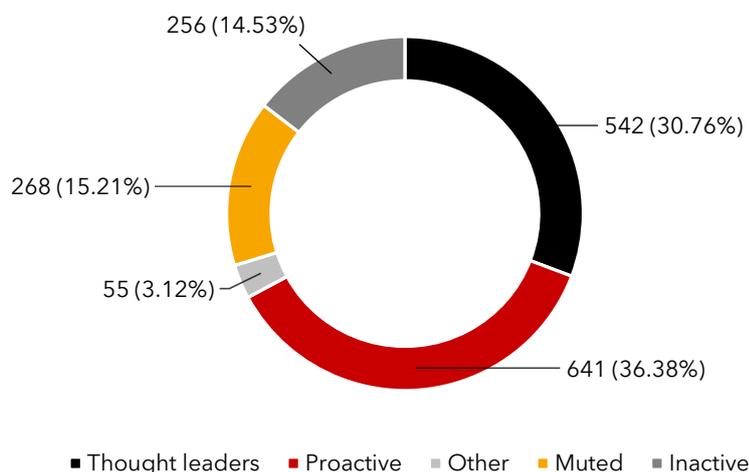
<sup>17</sup> <https://www.ifac.org/system/files/publications/files/Good-Practice-in-PAO-Capacity-Building-Partnerships.pdf>

## Insight 2: A renewed approach to CPEs

CPE is a critical instrument for upskilling technical competencies and remaining current on advances affecting the profession. According to participants in the PAO Stakeholder Group, CPE serves as a tool to achieve global skills comparability for the African accountancy profession. However, it becomes less impactful when professionals approach CPE as a box-checking exercise rather than a means of professional development. Roundtable participants recommended some approaches to strengthening the impact of CPE:

- Stakeholders urge a continental approach to upskilling that includes balancing the development of CPE curricula to close the competency gaps observed across Africa. More developed countries can aid emerging countries in achieving equal levels of development.
- Stakeholders also stress reconsidering the concept of required development hours to include more active metrics – knowledge testing or changing the CPE measuring period from annual to quarterly – to encourage a continuous effort towards gaining knowledge.
- For accountancy professionals with larger skills gaps, stakeholders endorsed a more drastic option. For example, PAOs may collaborate with colleges to develop accelerated programmes to gain contemporary skills that are relevant to the changing corporate environment.
- Stakeholders emphasise the importance of accountancy and finance professionals taking personal responsibility for their own development.
- Stakeholders selected three critical areas where accountancy professionals require upskilling:
  - *strategy planning, market intelligence, and performance management*
  - *business acumen and operations knowledge*
  - *technology, information systems, and data analysis.*
- To remain relevant, finance professionals must go beyond traditional accounting roles/practices and contribute their financial expertise to the mapping of strategic business imperatives.

**Q: What is your principal view of PAOs in your country in terms of advancing the accountancy profession and influencing public policy?**



A high number of professionals view PAOs as proactive (36.1%) and thought leaders (30.8%). But a significant proportion (29.7%) see them as muted or inactive in advancing the profession and influencing public policy.

**Regions:** a large number of professionals view PAOs as proactive and thought leaders, although this view is concentrated in certain regions.

Most professionals in Eastern Africa and the Horn (71.3%), Southern Africa (68.1%) and Western Africa (65.8%) view their PAOs as proactive and thought leaders in advancing the profession and influencing public policy. In contrast, most professionals in Central Africa (58.5%) and Northern Africa (56.4%) view their PAOs as muted or inactive.

**Sectors/Industries:** public sector respondents view PAOs as proactive while private sector respondents view them as thought leaders.

Respondents from both the public and private sectors rated PAOs as thought leaders or proactive in advancing the profession and influencing public policies. However, more respondents from the private sector (31%) than the public sector (28.1%) view PAOs as thought leaders. Contrastingly, more respondents from the public sector (43.5%) than the private sector (34.4%) view PAOs as proactive.

Respondents from the entertainment (46.2%) and hospitality (45.1%) industries are more assertive in their view of PAOs as thought leaders – whereas respondents from the construction (40.5%) and education (44.7%) industries view PAOs as more proactive in advancing the profession and influencing public policies.

### **Insight 3: Stakeholders are demanding for more robust engagements by the profession**

Some respondents rated their PAOs as inactive in terms of advocacy:

‘PAOs should not underestimate the influence they have on policy making. PAOs are public interest entities in nature and advocating on issues that affect society should be high on their agenda.’

**Thandokuhle Myoli, SAICA, South Africa, PAO Stakeholder Group**

And some defined their fit for the current business environment:

‘Continuous training for professional accountants should include current business needs, trends, and practical hands-on training... Accountants currently need to broaden competences beyond preparing the books to derive insights from data to support management for good decision-making. These sorts of training are lacking in Africa’

**Adekoya Abimbola, Deputy Finance Director, Sheraton Hotel, Nigeria, Chambers of Commerce Stakeholder Group**

On PAO technology capacity:

‘PAOs need to upskill themselves in technology so that they can guide their members and not be reactive.’

**Verily Molatedi, BICA, Botswana, PAO Stakeholder Group**

On influencing for socio-economic change, development partners reinforce the significance of PAOs’ impact on the wellbeing of citizens. The profession must engage at the national level and contribute toward plans to implement the AU Agenda 2063 and UN SDGs:

‘Having worked closely with accountancy professionals in Africa, one challenge I see in PAOs is their inability to shift from only focusing on their members to creating long-term value for the benefit of all their stake-holders. The profession should increasingly and innovatively focus on participating and implementing impactful initiatives that improve the wellbeing of citizens. For example, the profession should actively support the government – on a pro bono basis – to design, implement and monitor National Development Plans (NPDs). This could include participating in membership of NPD Councils or Boards to share innovative, scalable and sustainable ideas – supporting the government to develop capable institutions, systems and processes necessary to implement and monitor the benefit to all citizens.’

**Patrick Kabuya, World Bank, International Agencies/Donor Institutions Stakeholder Group**

On contributing to the AU Agenda 2063 AfCFTA, stakeholders agree on initiating research to understand the issues and engage government with the profession’s perspective on relevant policy:

‘We should ensure that the profession becomes more innovative and do a lot of research so that we really understand issues in the public sector and use that wider research and innovative ideas to engage at the level of influencing socio-economic development.’

**Dr. Egret. C. Lengwe ZCAS, Zambia Regulators, and Standard Setters Stakeholder Group**

On global relevance of the African profession:

‘How do we magnify our efforts to obtain global skill comparability? I think there must be some benchmarking for global professional accountants, considering what’s happening around the world and on the continent and at the different levels at which those things happen. So, we must become more responsive to changes more quickly, because changes happen.’

**Kantha Naicker, President, SAIPA, South Africa, PAO Stakeholder Group**

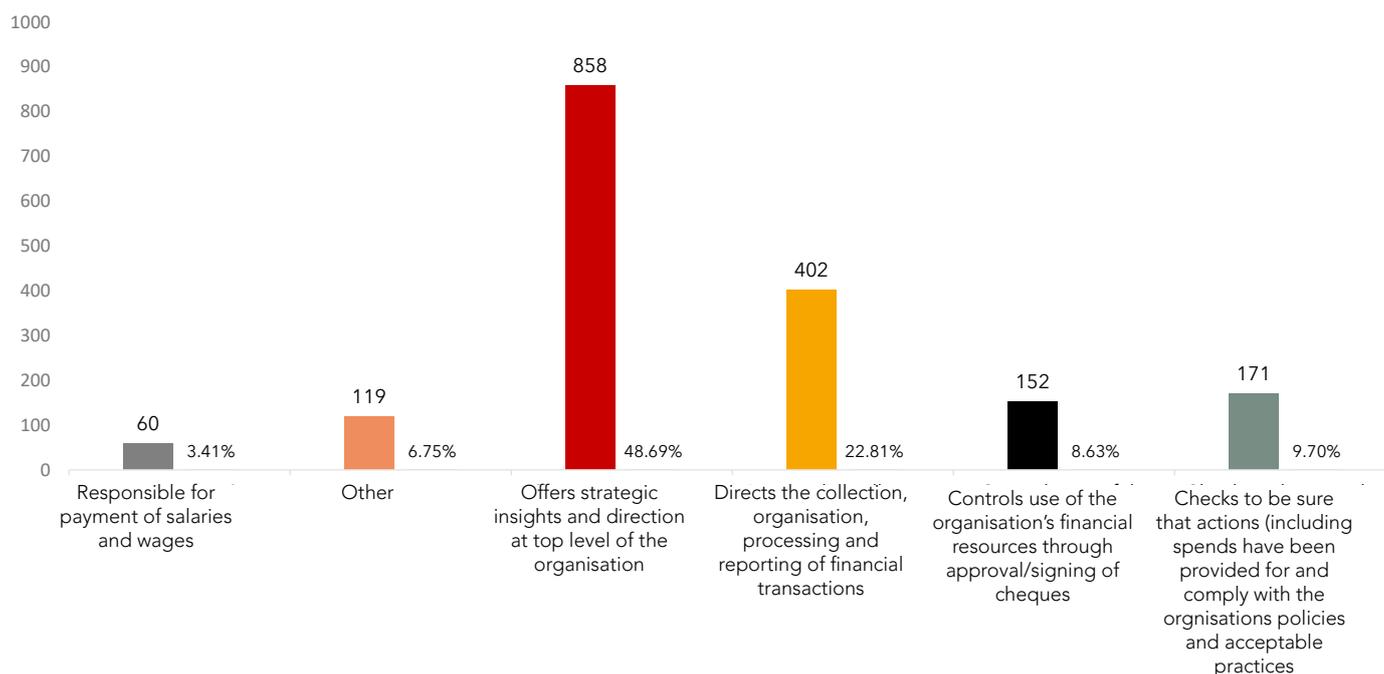
## Capacity development in the accountancy profession

Technology is transforming the jobs of accountancy and finance professionals around the world – necessitating a new range of skills. To meet this requirement, education institutes and PAOs are expected to be at the forefront of these changes –equipping accountants with digital skills as well as broader competencies to enable them to take advantage of the opportunities that transformation brings.

A consequence of this trend is that more professional accountants may be able to aspire to and obtain leadership roles in organisations. Professional accountants will have more time to take on managerial activities as they embrace technology evolutions. They will become more knowledgeable about smart software and cloud computing, which will replace previous data collection and bookkeeping techniques. Accountants may seize these opportunities and use their abilities to contribute to defining organisational strategies and other C-suite level responsibilities.

This section of the report reveals the roles of finance professionals in their organisations, and the impact of business environment transformation on the competency demands of accountants.

**Q: What is the popular/typical role that the most senior accountancy professional at your organisation is known for?**



Almost half (48.7%) of respondents believe that the most senior professional in their organisations is best known for his/her contribution to strategic insights and direction in the higher levels of organisation hierarchy, while 44.6% indicate that their most senior professional is involved in the traditional roles of organising, controlling, processing and reporting on financial related transactions.

**Regions:** about half of the respondents view senior professionals in their organisation as being involved in C-suite and Board functions such as strategy development.

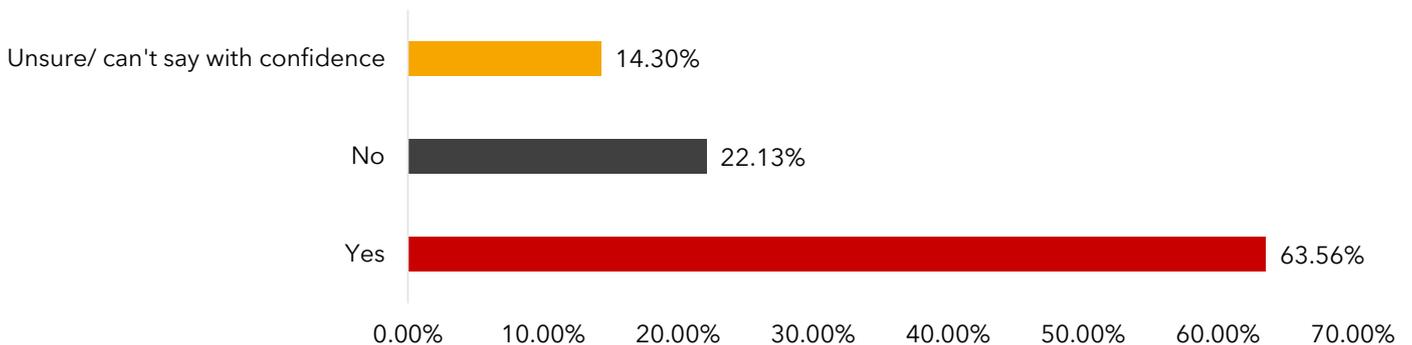
Across the continent, this view varies from Western Africa (55.9%), Southern Africa (53.7%), and Eastern Africa and The Horn (43.2%) to Central Africa (29.3%) and Northern Africa (28.2%).

The majority of respondents from the following countries have seen senior professionals in the higher levels of their organisation's hierarchy: Ghana (62.1%), Botswana (59%), Eswatini (58.3%), Rwanda (57.1%), Nigeria (55.7%) and Uganda (52.2%).

**Sectors/industries:** senior professionals appear to have more opportunity to engage in crafting the direction of their organisations in some industries.

The percentage of professionals working in strategic and functional jobs in the private sector (50.5%) is slightly greater than in the public sector (46.4%). Some industries have a higher share of senior professionals in key roles than others, for example: entertainment (61.5%), R&D (61.1%), telecommunications (56.5%), banking and finance (54.9%), mining (54.2%), manufacturing (53.4%), and oil and gas (50.9%).

**Q: In the history of your organisation, has an accountancy professional been appointed to the top job, ie CEO/Director or equivalent?**



A greater percentage of respondents (63.6%) have seen accountancy and finance professionals become CEOs or Directors in their organisations.

**Regions:** responses show a fair representation of accountancy professionals as organisation leaders, although this is more apparent in some regions.

More respondents from Southern Africa (68.3%) have seen accountancy professionals as CEOs or Directors compared to Eastern Africa and The Horn (64.7%) and Western Africa (58%). And fewer respondents have seen the same trend in Central Africa (46.3%) and Northern Africa (46.2%).

**Sectors/industries:** the private sector is seeing more accountancy professionals in strategic positions such as the CEO, even as a few industries see a higher number of accountancy professionals ascend to the position of CEO.

Some industries – including entertainment (76.9%), banking and financial services (74.1%), and tourism (66.7%) – have a higher representation of professionals as CEOs – whereas agriculture (48.3%), R&D (47.2%), and information technology (47.1%) have the lowest.

**Q: How is the role of the CFO, Finance Director, or equivalent evolving in your country, and what new roles are they undertaking?**



The role of the CFO in an organisation is evolving. It has transformed into that of a strategic leader who participates in critical planning and decision-making processes. The modern CFO is required to derive insights from trends, identify hidden opportunities, forecast their impact on the organisation's growth, promote new product development while contributing towards operations, investment needs and a variety of other areas. The CFO is expected to propose strategic ideas, play a key role in developing and implementing a strategic agenda, and drive change across the whole organisation.

Our report reveals that more professionals are ascending to senior levels in their organisations and taking on C-suite roles such as CFO or Finance Director, while 54.1% of respondents believe that CFOs have retained a traditional finance-specific function as part of their top four roles. As well as their typical responsibilities, CFOs play three additional essential roles:

- developing long-term strategies and optimising product portfolio rather than managing short-term performance (50.9%)

- getting involved in cross-functional roles such as overseeing the organisations' digital activities and resolving issues outside the finance function (46.9%)
- taking responsibility and accountability for regulatory adherence (38.7%).

Respondents believe that CFOs are least involved in managing global stakeholders.

**Regions:** with the role of CFO evolving, responses show that finance-specific roles still constitute a significant aspect of the CFO's functions.

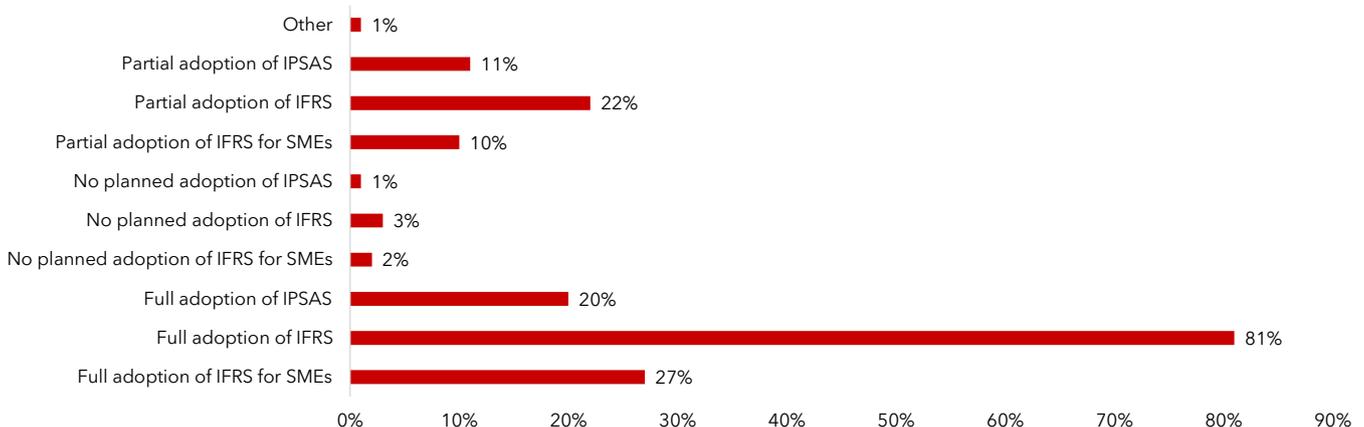
Across Africa, respondents share similar views on the key roles of the CFO. In Eastern Africa and The Horn, Western Africa, and Southern Africa, the views are more vividly conveyed. Southern Africa is more assertive about CFOs taking on cross-functional roles such as overseeing organisations' digital activities and resolving issues outside of the finance function – as well as driving long-term strategies and optimising product portfolios rather than managing short-term performance. Unlike the other regions, Central Africa sees less CFOs assuming cross-functional responsibilities, while they are more involved in changing the way performance is assessed in the context of business transformation.

**Sectors/industries:** responses show that private and public sector respondents share similar views regarding the CFO role.

CFOs/Finance Directors in the private and public sectors have similar responsibilities to those identified above. However, public sector respondents believe that CFOs/Finance Directors are more involved in regulatory duties (45%) than cross-functional roles (42%). In contrast, private sector respondents believe that CFOs are more involved in cross-functional roles (48%) than regulatory functions (39%).

Respondents in the construction industry (56.8%) perceive more CFOs participating in establishing long-term strategies, while respondents in the hospitality (64.7%) and information technology (55.9%) industries see more CFOs active in cross-functional positions.

**Q: Which accounting standards are you aware have been adopted in your country, and are being applied by the profession?**



The responses reveal a wide range of opinions on the state of IFRS and IPSAS adoption in the various regions and countries. This suggests an inconsistent level of awareness of the standards – or the state of their adoption – in the countries.

More respondents expressed a unified view regarding the full adoption of IFRS in Southern Africa (87%) Eastern Africa and the Horn (83%), and Western Africa (83%). In Northern Africa (67%) and Central Africa (59%) most respondents indicated partial adoption of IFRS.

Views on the adoption of IFRS for SMEs and IPSAS is fluid across the continent – except for Southern Africa (36%) and Eastern Africa and The Horn (28%) where respondents express a slightly more assertive position in favour of full adoption of IFRS for SMEs.

Respondents identified other standards that have been adopted in some countries, including:

- Generally Accepted Accounting Principles (GAAP) in Botswana, Namibia, The Gambia, Somalia, and Zambia
- Organisation for the Harmonisation of Business Law in Africa (OHADA) in Congo Democratic Republic, Cameroon, and Côte d'Ivoire
- IFRS for SMEs issued by the Financial Reporting Council of Mauritius.

### **Insight 1: The state of adoption of international accounting standards**

Some countries in Africa have adopted the international standards while others have maintained national and regional financial reporting standards.

Stakeholders in the roundtable discussion raised current challenges that limit the full adoption of IFRS, including:

- lack of relevant knowledge and practical experience of preparers of financial statements
- lack of enforcement mechanism and compliance issues
- cost of consultancy services to assist with implementation

*'There are some challenges due to language barriers in a French-speaking country. You will find a lot of implementation guidance for free on the website of the IFRS Foundation, but it is available only in English. ... The PAOs in the English-speaking countries have more guidance and experience in implementing those standards. It would be a good idea to have a platform where we can collaborate so that we can learn from the experience of those countries.'*

**Yacouba Traoré** President, ONECCA-BF Burkina Faso, PAO Stakeholder Group

Some countries in Africa have adopted the international standards while others have maintained national and regional financial reporting standards.

## **Insight 2: What are the probabilities of adoption of the IFRS standards by SMEs?**

Stakeholders from specialist groups (digital technology, ESG/climate change, SMEs, and learning partners) in the roundtable discussion referred to the limited adoption of IFRS by SMEs – highlighting the lack of training, the associated cost, and the inability to appreciate the benefits as major concerns.

‘About IFRS for SMEs, I do see a misnomer when it comes to Africa. We know that our economies are largely supported by SMEs, but when it comes to accountancy training, the concentration is mostly on IFRS. This becomes a challenge for smaller organisations to actually apply them.’

**Robert A Belle, FCCA, Managing Director, Smip Consultancy, Kenya, Specialist Stakeholder Group**

‘From my consulting experience with SMEs, you find a good number of them rarely keep books as they operate. Unless they are faced with a demand for unpaid tax by the Revenue Authority, that is when they start running around looking for an audit to be done. Of course, before the audit is done, they must prepare the financial statements. The other time is when they are seeking finance, and they must get some set of financial statements. Otherwise, in my view, they haven't seen real incentives, or real benefits from following IFRS for SMEs. Many of them see it as a burden.’

**Dr David Mathuva, CPA, CFE, Director of Undergraduate Programs, Strathmore University – Kenya, Specialist Stakeholder Group**

What role can the profession play to change the narrative?

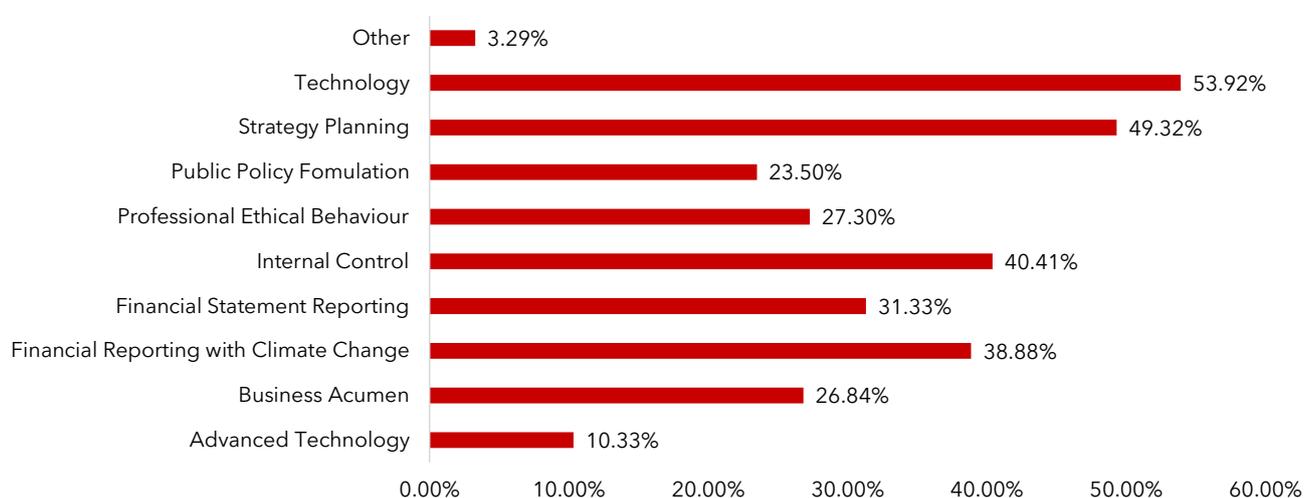
‘I think one way that accountants can help would be to partner and work along with two institutions, that is the development financial institutions that support SMEs during the incubation period or start-ups; and the financial institutions, this could be some of the banks, that are supporting SMEs. Accountants can act as an intermediary between the SME and the financial institution to manage the risks.’

**Unnamed, Specialist Stakeholder Group**

‘I want to suggest the concept of shared service, where resources are pulled together by accountants. Accountants could set up structures for SMEs and SMEs could subscribe to a service for a very small amount. For example, an SME would pay \$100 a month to have its accounting taken care of. If you have 1000s of SMEs subscribing to this service, this could potentially be a substantial business. You would not only be doing business but, as a professional, you would also be solving a problem for SMEs.’

**Joseph Ajal, Board Member – Associate Certified Coach, ICF Uganda Chapter Board Member, CEO, Precision HR Proprietary Ltd, Business Development Director, CMAEA, Human Resource Managers of Uganda (HRMAU), Specialist Stakeholder Group**

**Q: What skill gaps are emerging in your country as the business environment and profession evolves?**



Responses from across Africa identify five main skill gaps that have emerged from the changing business environment:

- technology, information systems, and data analysis (53.9%)
- strategy planning, market intelligence, and performance management (49.3%)
- internal control, risk management, and fraud prevention (40.4%)
- incorporation of the climate change and ESG agenda into financial reporting (38.9%)
- financial statement reporting, and compliance with global accounting standards and best practices (31.3%).

**Regions:** technology skills remain the leading skills gap in most regions. This requires the urgent attention of the education community, including PAOs.

Respondents from Eastern Africa and The Horn, Southern Africa, and Western Africa identified similar skill gaps – although there is a modest variance in Central and Northern Africa. A visual representation of the four core skills gaps (green) and subsidiary skills gaps (orange) identified by respondents is shown below.

**Table 1: Core and subsidiary skill gaps by regions**

Region	Technology, information systems and data analysis	Strategy planning, market intelligence and performance management	Internal control, risk management and fraud prevention	Incorporation of climate change and ESG agenda into financial reporting	Financial statement reporting, compliance with global accounting standards and best practices
Western Africa	58.6%	46.5%	36.4%	47.6%	31.3%
Eastern Africa and the Horn	53.7%	50.1%	41.7%	36.1%	34.4%
Southern Africa	53.3%	51.3%	42.3%	39.0%	28.2%
Northern Africa	23.0%	33.3%	28.2%	17.9%	25.6%
Central Africa	48.8%	43.9%	39.0%	21.9%	31.7%

Three skill gaps were widely identified as core gap areas across most countries. These are, technology, strategy planning and internal control capabilities. The table below shows the four most significant gaps selected by respondents from the listed countries, the core skill gaps are highlighted in green.

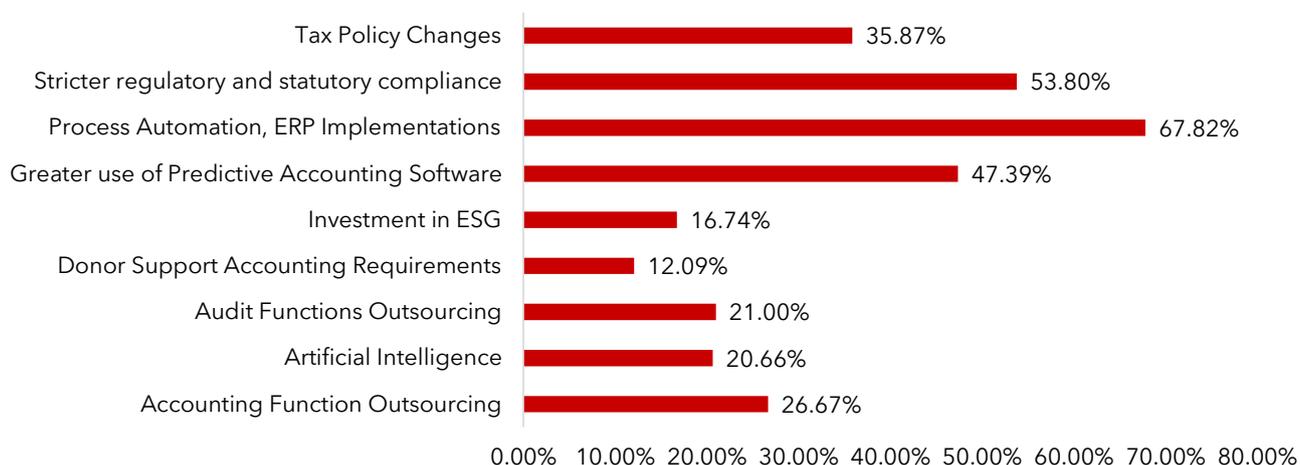
**Table 2: Significant gaps by countries**

Country	Business acumen and operations knowledge	Incorporation of climate change and ESG agenda into financial reporting	Financial statement reporting, compliance with global accounting standards and best practices	Internal control, risk management and fraud prevention	Professional ethical behaviour, knowledge of legal and regulatory requirement	Public policy formulation and implementation	Strategy planning, market intelligence and performance management	Technology, information systems and data analysis
Ethiopia	20.4%	31.1%	48.5%	34.9%	29.1%	19.4%	60.2%	50.5%
Kenya	35.0%	40.0%	25.0%	37.5%	17.5%	25.0%	60.0%	47.5%
Rwanda	21.4%	38.1%	26.2%	40.5%	33.3%	29.9%	47.6%	54.8%
Tanzania	31.3%	46.3%	28.4%	32.8%	29.9%	31.3%	44.8%	64.2%
Sudan	11.1%	33.3%	50.0%	50.0%	11.1%	27.8%	66.7%	44.4%
Botswana	31.1%	37.0%	35.0%	42.0%	28.0%	24.0%	46.0%	59.0%
South Africa	28.8%	30.7%	23.5%	44.4%	34.6%	20.9%	56.9%	54.3%
Zambia	31.2%	44.1%	23.5%	40.6%	31.2%	26.7%	49.5%	52.9%
Ghana	23.2%	52.6%	32.6%	44.2%	24.2%	27.4%	37.9%	53.7%
Nigeria	27.2%	50.0%	28.5%	31.6%	20.6%	26.3%	51.3%	62.7%
The Gambia	23.5%	17.7%	47.1%	58.8%	32.3%	5.9%	52.9%	47.1%

**The age factor:** retired professionals/early boomers believe the skills gaps in creating financial statements that are compliant with global accounting standards and best practices surpass the skills gaps that have emerged from advancing technology.

All age categories share similar views on the skills gaps that have emerged as the business environment and profession evolves. However, technology, information systems and data analysis are the main skills gaps identified across all age categories except retired professionals/early boomers. In the retired professional age segment, 52.3% of respondents identified financial statement reporting, and compliance with global accounting standards and best practices as the main skills gap for the profession.

**Q: Which of these factors/ trends have impacted the work of the accountancy professional or the profession the most?**



Most respondents identified four significant trends that have had an impact on the accountancy and finance profession in Africa:

- process automation and ERP adoption (67.8%)
- stricter regulatory and statutory compliance (53.8%)
- predictive accounting software – forecasting and data analytics tools – (47.4%)
- changes in tax policy (35.9%).

Only 12% of respondents believe that donor support criteria have had an impact on the profession.

**Regions:** *the profession has been particularly impacted by the current wave of technology consisting of process automation and ERP.*

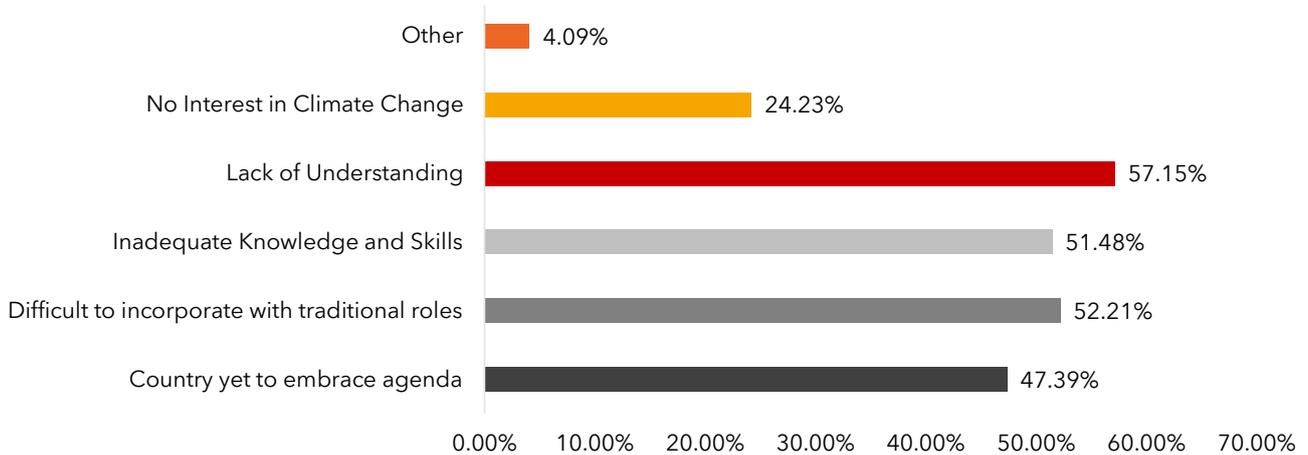
Respondents across the continent cited comparable trends as driving change in the profession. The most impactful trend is process automation and ERP adoption. Respondents from Western Africa (70.3%), Southern Africa (68.1%), and Eastern Africa and The Horn (68.1%) are most vocal about this. This view is expressed less by respondents from Central Africa (56.1%) and Northern Africa (43.6%).

Unlike other regions, where stricter regulatory and statutory compliance is the second most impactful trend, respondents in Northern Africa identified accounting function outsourcing as the second most impactful trend.

**Sector/ industries:** *in some industries, stricter regulation and the outsourcing of accounting functions are important developments.*

Automation and ERP are the primary drivers of change across most industries, except for entertainment (76.9%), real estate (64%) and R&D (63.9%) – where respondents believe stricter regulations have a greater impact. Half of the respondents viewed the outsourcing of accounting functions as the third most impactful trend in the information and technology industry.

**Q: What are the current limitations to the involvement of accountants and PAOs in climate change and ESG agendas? Select up to four options**



As investors extend their criteria for investment considerations to include ESG goals, it's vital for organisations to embrace ESG practices. Accountancy professionals have a unique opportunity to lead ESG adoption in their organisations, and throughout their countries and regions.

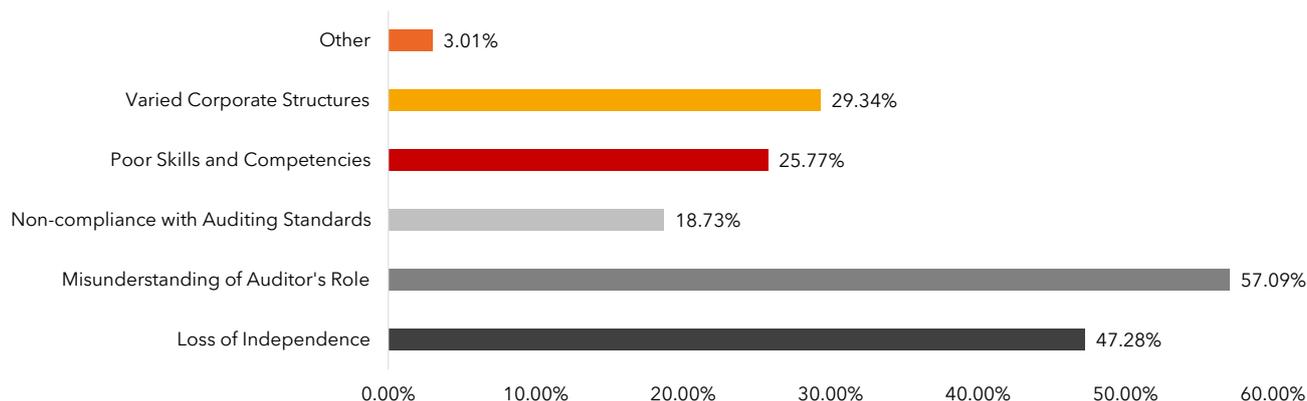
*Many respondents believe that accountants and PAOs are interested in the climate change and ESG agenda. But there are significant barriers to adoption – the most significant being a lack of knowledge of the agenda's relationship with the accounting function.*

Respondents affirm that the top four reasons delaying ESG adoption across Africa are:

1. Accountants lack understanding of the link between the climate change agenda and accounting/finance roles (57.2%).
2. The climate change agenda is difficult to incorporate with the traditional accounting roles (52%).
3. Accountants do not have the knowledge and skills to incorporate the climate change agenda in financial reports (51.5%).
4. The country is yet to embrace the climate change agenda; therefore, it is not prioritised by accountants and PAOs (47.4%).

**Q: in your view, what are the principal reasons for the audit expectation gap?**

The audit expectation gap represents the difference between what finance professionals regard to be the aim of audit and what the public expects from audit services. The gap appears to be widening as the business environment becomes increasingly sophisticated and globalised. One of the most prevalent expectations among stakeholders is that the audit should reveal financial irregularities or fraud in the financial statements.



More than half of the respondents (57.1%) believe that the main source of the audit expectation gap is the public's misunderstanding of the auditors' role. The second most significant reason, according to 47.3% of respondents, is that auditors are becoming more familiar with the management of the organisations they audit – creating a loss of independence. Non-compliance with auditing standards is the reason least cited by respondents.

**Regions:** *there appears to be a widespread imbalance between the auditor's role and the public's expectation from financial statement audits.*

Respondents from Northern Africa, Eastern Africa and the Horn, Western, and Central Africa, share similar views concerning the main reasons for the audit expectation gap – a misunderstanding of the auditor's role and a lack of auditor independence. In Northern Africa, the leading reason for the gap is poor skills and competencies of auditors (30.1%).

**Sectors/industries:** *the difference in organisation structures, processes and procedures in certain industries such as real estate, R&D, mining and information technology has been identified as an additional reason for the audit expectation gap.*

According to respondents from most industries, the main reason for the audit expectation gap is a misunderstanding of the auditor's role, followed by the loss of auditor independence. More respondents believe that auditor independence is being eroded in the entertainment (69.3%), mining (66.7%), and hospitality (60.8%) industries. Poor skills and competencies are the second source of the gap in the entertainment (52.7%) and real estate industries (40%).

Varied corporate structures, processes and procedures that make it difficult for auditors to standardise their work is the second reason for the audit expectation gap in real estate (40%), R&D (41.7%), mining (37.5%) industries – and a major concern for 50% of respondents from the information and technology industries.

## Concluding Insights: Are African professionals prepared for the future?

The business landscape is experiencing a substantial transformation that's anticipated to continue for the next decades. This has raised concerns among accountants, PAOs and other finance professionals about capacity shortages and development. Smart and digital technology, continuing globalisation of reporting and disclosure requirements, and new forms of regulation are all major trends that are transforming professions around the world.

Accountants who will be relevant to future business demands must be knowledgeable in a variety of areas, including digital technology (eg cloud computing and smart software), international standards, new disclosure regulations, and the interconnection of financial and non-financial reporting. Accountancy and finance professionals will be required to roundly deliver more comprehensive corporate reporting that focuses less on figures and more on the organisation's story.

Stakeholders in the roundtable discussions commented on the present levels of capabilities and the gaps:

'I think the obstacle that we have is that African countries do not have the appropriate training and are unable to share the appropriate knowledge on ESG or sustainability issues within Africa. I think, within the continent, we are not very clear about the issues. I have reviewed quite a lot of journal articles by African professors and end up having to reject a lot of these articles, because when it comes to epistemological issues around ESG, or sustainability, the information is far from what we could consider to be basic, or the minimum best knowledge.'

**Rodney Ndamba, CEO, Institute of Sustainability, Zimbabwe**

'As a profession, we need to have an anticipatory mindset. If we think that the service that we have will never be disrupted by something better to solve the problem, we are knowingly setting ourselves up for failure. So, it is important to the profession that we build capacity as we anticipate changes that will disrupt the profession. The focus of the profession has been largely on the private sector. While over 60% of GDP in developing economies is driven by the public sector, we need to focus on professionalising the public sector. How do we position ourselves as a profession to be the trusted advisors to our policymakers and governments?'

**Admire Ndurunduru, Secretary General PAAB (Zimbabwe)/Chairman, African Forum for Independent Accounting and Auditing Regulators (AFIAAR)**

'As practice firms, we are responsible for training some of those professional accountants who are being produced by these higher education institutions, so, it's important that we are prepared for what is to come. The issue around emotional intelligence is very pivotal for professional accounting. Gone are the days when we thought that accountants were people who just performed procedures. We must develop accountants that demonstrate a high level of emotional intelligence, accountants that are ready for the task whenever they are released into the markets in which they're going to operate. A lot of responsibility has been placed on accountants, especially when it comes to public interest, and we all need to understand that public inter-est is one of the key things that drives us as professional accountants.'

**Tinashe Jerahuni, BDO Zambia**

'In terms of building confidence that Africa is really integrated into the world, I think of comprehensibility, succession plans, technology. I also think about business intelligence. We need to move away from being intuitive in the way we report our business to using predictive analytics. We need to understand that we don't live in isolation, we are a global village, so we must collaborate with the global industry leaders and within Africa ourselves. Are we there yet? Most definitely not. Are we doing something that can catapult us and push us to the next level? Most certainly we are. So, we should continue to digitise and automate. We should continue to build collaboration amongst ourselves, and, of course, we must move from self-limiting belief systems that make us believe that we're not that good.'

**Joseph Ajal, Board Member – Associate Certified Coach, ICF Uganda Chapter Board Member, CEO, Precision HR Proprietary Ltd, Business Development Director, CMA – EA, Human Resource Managers of Uganda (HRMAU)**

## Partnerships

Accountancy and finance professionals are important agents of change. They contribute significantly to the effective implementation of financial reporting and auditing reform – helping businesses to meet their objectives through the provision of relevant advisory and consulting services<sup>18</sup>. PAOs assist their members through continuous training, guidance and tools to maintain their professional competence, and ensuring they remain relevant to face the evolving demands of the profession.

A healthy economy is one with a vibrant accountancy profession – where high-quality financial and non-financial information is supplied in a timely manner to inform decision-making. The role of PAOs in the growth of the profession cannot be overemphasised – and collaboration between PAOs, development partners, regulators and standard setters, HEIs, and other stakeholders ensure that accountancy remains vibrant – improving the economic growth of countries.

18 <https://cfr.worldbank.org/node/251>

### **Summary insight: The profession will thrive on partnerships between the various stakeholders**

Partnerships exist among PAOs, and between PAOs and other stakeholders. In some cases, however, it is believed that these partnerships do not exist beyond signed MOUs. Some stakeholders believe that PAOs can collaborate actively and effectively at national, regional and global levels when these MOUs are properly put into practice by the relevant parties.

*‘From an Africa wide perspective, we should have MOUs. The MOU should be more than just a box check approach to say that we love each other – we should be willing to work together towards the betterment of the profession; on the continent, in our countries with each other.’*

**Kantha Naicker, President, SAIPA, South Africa, PAO Stakeholder Group**

Regarding collaboration between PAOs and HEIs, stakeholders agree there is a long way to go to bridge the gap between the skills required from professionals and what they are taught in the universities.

*‘Regarding collaboration between the HEI and the profession, personally, as someone who has worked in the audit space within the Big Four, I think there’s still a huge gap from the perspective of the HEIs in terms of just adopting soft skills into the curriculum.’*

**HEI Stakeholder Group**

*‘I think that there is a lot of work that needs to be done around collaboration between HEIs and PAOs. When you look at the curriculum development, you know a lot needs to be done around the interface of the academic syllabus and practical training need requirements... There is a need to develop some formal training curriculum which will infuse some of the practical aspects that employers expect when professional accountants are being developed in HEIs. HEIs could also prescribe a minimum period for internships to aid the students in acquiring practical skills beneficial to the profession.’*

**HEI Stakeholder Group**

*‘... a lot of accountants are lacking emotional intelligence... that is one area we believe needs to be worked on so that we have accountants who can demonstrate a level of emotional intelligence in addition to the technical aspects of their work.’*

**Practice Firms Stakeholder Group**

Our report highlights the strategic alliances that stakeholders within the accountancy and finance ecosystem need to forge to ensure that the profession can roundly deliver on its promise to society.

### **Functions of the PAO and the accountancy regulatory body**

The International Federation of Accountants broadly lists<sup>19</sup> the roles of effective PAOs to be:

- acting in the public interest
- producing and developing capable and competent accountancy professionals
- promoting and enforcing powerful professional and ethical standards
- acting as a resource to government, regulators, and other stakeholders
- enhancing the quality of financial management and reporting.

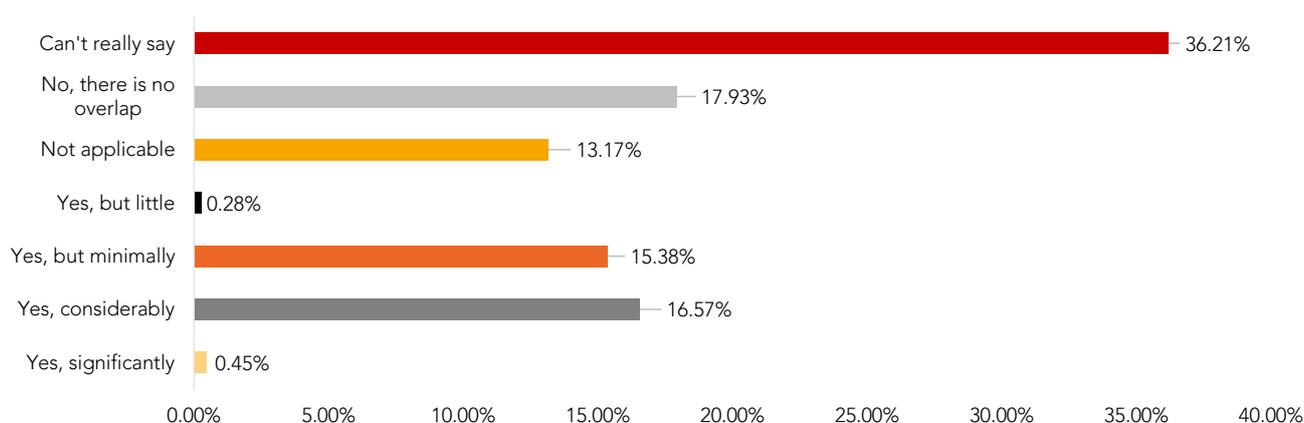
<sup>19</sup> <https://www.ifac.org/system/files/publications/files/Good-Practice-in-PAO-Capacity-Building-Partnerships.pdf>

The functions of PAOs with a regulatory role are broadly categorised as:

- setting accounting and auditing standards
- maintaining and publishing a register of chartered accountants and practicing accountants
- issuing and renewing licenses for qualified members to practice accountancy
- setting and monitoring compliance with initial professional development and CPD requirements for its members.
- setting ethical requirements for its members
- investigating and disciplining members for breach of rules and other professional standards
- monitoring the conduct and performance of members, including audit quality assurance reviews
- setting public sector accounting standards.

In Africa, a significant number of countries have PAOs who also act as regulators of the profession with a more robust set of functions. In other situations, however, where both a PAO and regulator exist in a country, there are often overlaps in their functions. To understand these overlaps, our study posed questions around such areas.

**Q: Would you say there are overlaps between the functions/activities of the PAO and the accountancy regulatory body?**



One-third (33%) of respondents indicated that the functions of the PAO and the accountancy regulatory body in their countries overlap to different extents, while 18% believe that there is no such overlap. Of the respondents, 36% could not tell whether or not overlaps existed; from this number, 82% were in the private sector and 60% were not aware of a different organisation aside a PAO having the oversight responsibility in their countries.

**Regions:** in Northern Africa, more respondents view the functions of the PAO and regulator as significantly overlapping in comparison to the other regions of Africa.

In Northern Africa, 13% of respondents revealed that the functions of their PAOs and regulators significantly overlap. This view is mostly influenced by Algeria and Sudan.

Ethiopia, Tanzania, Tunisia, Liberia, and Senegal are among countries where the functions of PAOs and the regulators do not overlap, according to respondents.

**Sectors/industries:** generally, both the private and public sectors agree although by different degrees that the functions of PAOs and regulators overlap.

There was not much difference between the views of respondents from the public and private sectors on whether the functions of their PAOs and regulators overlap. Respondents from the public sector, however, suggest that even though overlaps exist, they are not significant. A substantial majority of private sector respondents (82%) did not express an opinion, this is largely driven by the entertainment, tourism, and mining industries. Nonetheless, the financial services and healthcare industries mostly believe that no overlap exists.

**The age factor:** retired professionals (early boomers) believe such overlap does not exist. Other ages, however, believe they do– albeit to different extents.

Most early boomers (43%) – across all regions and sectors – believe that there is no overlap in the functions of their PAO and regulator. This is largely driven by views of retirees from Eastern Africa and the Horn, and Northern Africa. Male late boomers in executive and management positions in the public sector in Southern Africa believe such overlap does exist, albeit minimally. Late boomers working in the private sector in Western Africa, meanwhile, mostly believe no such overlap exists.

### **Insight: Having bodies separate from PAOs act as regulators minimises the potential conflict of interest**

In some countries such as Zimbabwe and Botswana, an institution separate from the PAO is charged with regulatory functions. Stakeholders in the roundtable discussion commented on the collaboration between regulators and PAOs:

- 'PAOs exist at the discretion of the government. So, there must be collaboration between the PAO and the regulatory body. The law should be clear on relations, so the independence of the regulator is not compromised.'
- 'Where responsibilities are clearly defined there are no challenges having separate bodies...'
- 'This separation is good as it allows for segregation and minimises potential conflict of interest...'

#### **What should be done to harmonise the roles of these bodies to further the development of the profession?**

- 'The regulatory body should retain only oversight roles in relation to the PAO...'
- 'Roles should be clearly defined with impartial regulation and adherence to rules by PAOs...'

## PAOs and the recovery from the Covid-19 pandemic

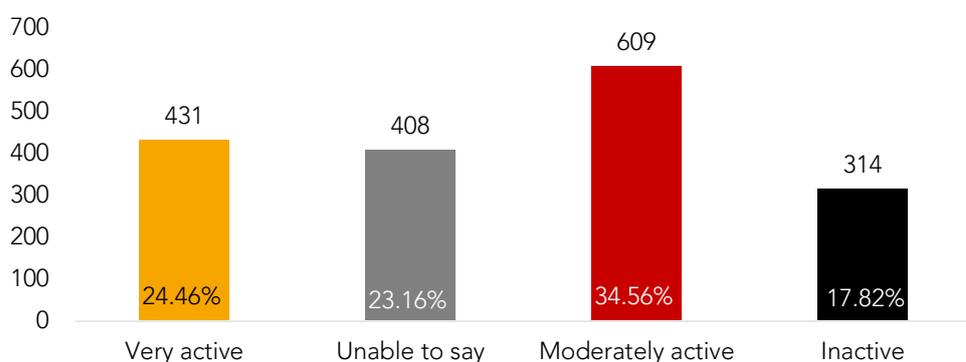
Whether it is financial restructuring or lobbying government to help formulate policy, the accountancy and finance profession can assist economic growth again – and PAOs should be spearheading the profession’s support of the economy in recovery efforts post-pandemic.

As a consequence of Covid-19, the new normal could lead PAOs to support recovery by communicating new government policies/regulations and encouraging their members to respond effectively. Finance professionals can lobby governments and regulators to create viable, long-term solutions that consider business needs, the economy and the profession. Most importantly,

PAOs should provide an environment for increased collaboration between its members, partnerships across PAOs and government, regional bodies, and international organisations such as the development community and standard setting bodies.

Across Africa, 35% of respondents indicated that their PAOs have been moderately active in society’s fight to recover from the Covid-19 pandemic – with most seeming to support and not advance thought leadership. Meanwhile, 24.6% of respondents believe their PAOs are very active – providing thought leadership and events to share knowledge and experience. In contrast, 17% of respondents are convinced that their PAOs’ performance in the fight to recover has been inactive.

**Q: In your view, how have the PAOs in your country performed in society’s fight to recover from the COVID-19 pandemic?**



**Regions:** while Central and Northern Africa view their PAOs’ performance in the recovery from the pandemic negatively, Eastern Africa and the Horn, Western Africa and Southern Africa have a positive view of their PAOs.

While most regions generally have a positive view of PAOs’ performance in recovering from the pandemic, this is not the case for Central and Northern Africa who mostly see PAOs as being inactive. This negative view is largely held by respondents from Cameroon (45%), DR Congo (67%), and Sudan (56%). In Southern Africa, a significant proportion of respondents from Malawi (46%) view their PAOs as being very active in society’s efforts to recuperate from the ills of the pandemic.

**Sectors/industries:** the R&D industry in the private sector, and the banking and financial services industry within the public sector, hold opposing views about their PAOs’ performance in the fight to recover from the pandemic.

Respondents from the private and public sectors widely hold similar views – they mainly regard their PAOs as moderately active in society’s effort to recover from the pandemic. However, the banking and financial services industry within the public sector (100%) views their PAOs as doing very little without any thought leadership to support recovery. Respondents within the R&D industry in the private sector seem satisfied with their PAOs’ efforts and view them as leading thought leadership events and publications.

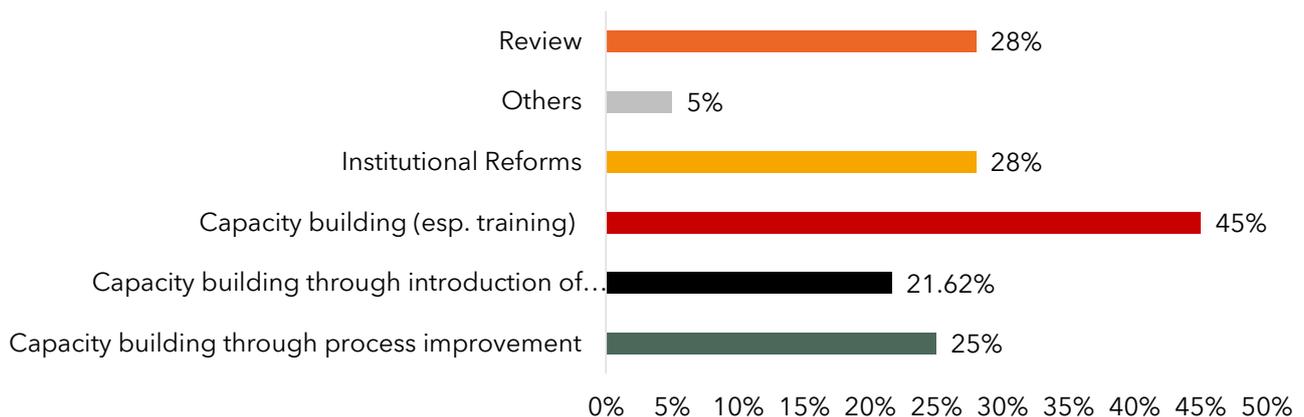
**The age factor:** retired professionals (early boomers) have the best perception of their PAOs' performance in the fight to recover from the pandemic.

More than half (52%) of retired professionals have a positive perception of their PAOs' efforts to support businesses in their recovery from the pandemic.<sup>20</sup> Female late boomers in executive and management roles consider their PAOs as being very active. Northern Africa's Gen Z and millennial professionals, meanwhile, regard their PAOs' as being inactive in their efforts.

### Support from Development partners

Historically, development partners have supported the accountancy profession with the adoption of the international standards and building the capacity necessary to implement them. They also partner with countries to develop effective audit oversight systems that foster public trust in financial reporting and influence reforms. This section provides a greater insight to the aspects of accountancy that are most important to development partners.

**Q: Typically, what aspects of the accountancy profession are most supported by development partners or the development community in your country?**



The majority of respondents (45%) indicated that capacity building – especially training of public sector accountants – to be the most supported aspect of accountancy by development partners, while 28% indicated that the partners also focus on institutional reforms targeted at PAOs.

**Regions:** unlike the other regions, Northern Africa respondents view development partner's focus to be primarily on the harmonisation of national and international standards.

For respondents from Northern Africa, the general view could not be further from their situation. More than half indicated that development partners mostly support the harmonisation of national and international standards – a view mostly shared by respondents from Algeria, and half of the respondents from DR Congo.

The insights from respondents in Southern Africa also do not follow the general perception of the region – that development partners focus on capacity building in the public sector. Respondents from Eswatini and Lesotho largely see development partners as supporting capacity building through business process improvements of public sector entities. Meanwhile, respondents from Namibia believe that development partners mainly support institutional reforms targeted at PAOs.

<sup>20</sup> These respondents are all male and are all members of at least one PAO.

**Sectors/ industries:** *although the private and public sectors share similar views, some industries – including real estate, tourism, and telecom – hold varying views on the primary focus of development partners.*

The views of respondents from the private sector are similar to those of respondents from the public sector. This indicates that, generally, development partners mostly support capacity building in the public sector. This is likely because support to strengthen the accountancy profession often falls within broader PFM Reforms – leading to overt public sector focus.

While this is the general view, most respondents in the real estate (56%) and tourism (50%) industries indicated that development partners are mostly concerned with the harmonisation of national and international accounting standards. For respondents from the telecom industry, development partners' primary focus is capacity building in the public sector, and institutional reforms targeted at PAOs. The focus for respondents in information technology is building capacity through business process improvements for finance functions of public sector entities.

Although some respondents indicated that development partners support the integration of technology platforms into the finance function of the public sector, most respondents do not consider this to be a focus for partnerships. This is worrying considering the impact of technology on the profession – and the move to digitalise operations in the wake of the COVID-19 pandemic.

**The age factor:** *generally, all age groups share identical views about the most common focus of development partners in the accountancy profession.*

In Western Africa, Gen Z and millennial professionals suggest that development partners mostly support the profession in building the capacity of accountancy professionals in the public sector through training. This is a view reiterated across all age

groups within Eastern Africa and the Horn and Southern Africa. Late boomers in executive and management roles in Western Africa generally believe that development partners support institutional reforms targeted at PAOs.

Across all age groups, respondents belonging to at least one PAO viewed development partners as being focused on capacity building in the public sector, while late boomers unaffiliated to any PAO suggested they are more concerned with building capacity through business process interventions in the public sector. Ultimately, respondents agreed that partnerships between development partners and the profession were directed at capacity building in the public sector in diverse ways.

### Accountants and the ESG Agenda

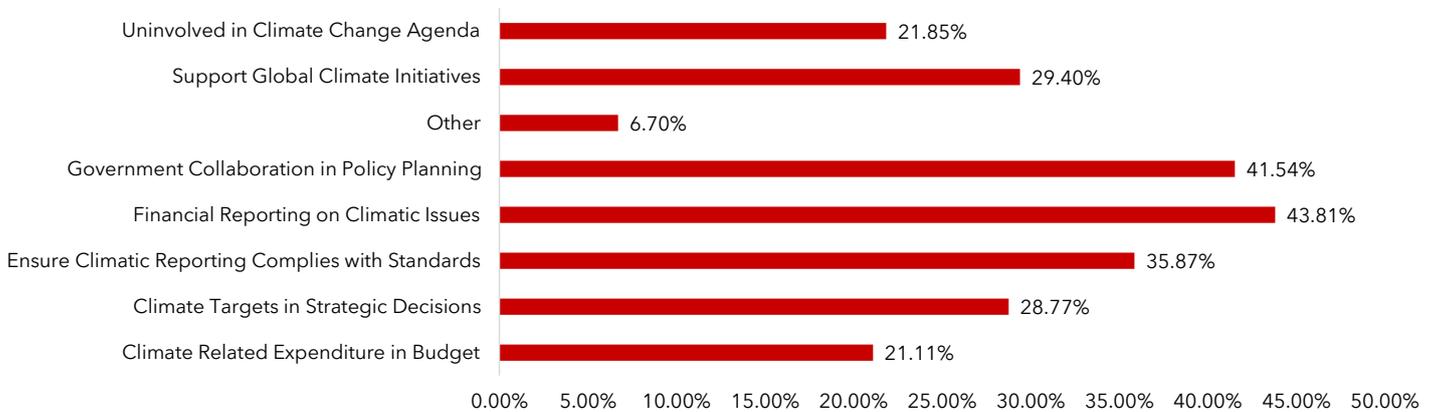
ESG reporting is an area of increasing importance to a wide range of stakeholders, including investors, regulators, credit rating agencies and policy makers. These stakeholders are concerned about the effect that relevant ESG matters have on an organisation's strategy and financial position etc. The accountancy profession plays a critical role in facilitating both financial and non-financial reporting to meaningfully communicate ESG metrics and its implications to the various stakeholders.

With climate change and sustainability reporting gaining traction globally and the IFRS Foundation announcing the formation of the International Sustainability Standards Board (ISSB)<sup>21</sup> – a standard setting body that will develop sustainability disclosure standards – professional accountants need to upskill to fulfil their ever-evolving role.

This section focuses on the contributions that accountants and PAOs across the continent are making towards the climate change and ESG agenda.

21 <https://www.ifrs.org/news-and-events/news/2021/11/ifrs-foundation-announces-issb-consolidation-with-cdsb-vrf-publication-of-prototypes/>

**Q: How are accountants and PAOs contributing to the climate change and ESG agenda?**



Accountants across the continent are seen to be contributing to the climate and ESG agenda – mainly through financial reporting on climate issues, collaboration with governments in policy planning, and ensuring climate reporting complies with standards. Of the respondents, 22% see the profession as not being involved in the climate change and ESG agenda.

**Regions:** while Southern Africa largely holds the general view, Central and Eastern Africa and the Horn are divided on the contributions of the profession to the climate change and ESG agenda.

In Central Africa, respondents from Angola and Cameroon recognise the contributions of the profession to the climate change and ESG agenda, while respondents from DR Congo (67%) largely believe accountants and PAOs are uninvolved in this agenda. In Eastern Africa, the profession is seen to collaborate with government on policy planning – a view shared by respondents from Ethiopia, Mauritius, Somalia, Tanzania, and Zambia.

Respondents from Southern Africa hold a view similar to that of the continent overall; this view is mostly driven by South Africa (56%) and Zimbabwe (52%). While the profession is thought to make significant contributions in

most of the participating countries in Northern Africa – Algeria and Chad generally believe the profession is not involved in the climate and ESG agenda.

**Sectors/ industries:** the private sector broadly considers the profession's contribution to be financial reporting on climate issues, while the public sector considers it to be collaboration with government.

The majority of private sector respondents view the profession's contribution to be financial reporting on climate issues. Outliers to this belief are the agricultural, construction and R&D industries, which consider the profession's contribution to focus mainly on influencing policy through collaboration with government; the real estate and tourism industries, which consider the profession as being uninvolved in the climate change and ESG agenda; and the telecom industry, which considers the profession's contribution to be ensuring compliance with reporting standards and frameworks.

The public sector broadly considers the profession's contribution to the ESG agenda to be collaborating with government on policy planning. A significant majority of public sector retirees (75%), however, suggest that the profession contributes largely to financial reporting on climate issues.

**The age factor:** *the outlook of professionals varies depending on their roles in their organisations. More senior professionals – late boomers (management and executives) – have a greater strategic view of the profession’s contribution to the climate change and ESG agenda than Gen Z and millennial respondents.*

Western Africa, young and mid-tier professionals consider the profession’s contribution to focus largely on financial reporting of climate issues. Management and executives, however, consider it to centre broadly on helping organisations incorporate climate targets and commitments into strategic decisions.

In Eastern Africa and the Horn, Gen Z, millennials and late boomers largely view the profession’s contribution to the climate change and ESG agenda as being a collaboration with government on policy making, while retirees highlighted accountants’ work in incorporating climate targets into strategic decisions.

### **Influencing for socio-economic development**

The actors that are readily visible when any country’s (or community’s) socio-economic development is being discussed are often those that are proactive and constantly in the media. These typically include politicians and high-level government officials. Sometimes, CEOs and leaders of interest groups, such as civil society organisations (CSOs), move to highlight their contributions to society’s development by describing their ESG activities. Rarely does the ‘back office’ role of the professional accountant in influencing and impacting socio-economic development get discussed. This is more the case in the private than the public sector, where occasionally the publication of a report that focuses attention on the use (or abuse) of state resources might instigate discussions about the protection of public purses.

This report establishes the extent to which the professional accountant – across both the private and public sectors – is involved in influencing and impacting socio-economic development across different pathways.

### **ESG<sup>22</sup> and creating clear pathways for investments between Africa’s and the world’s businesses**

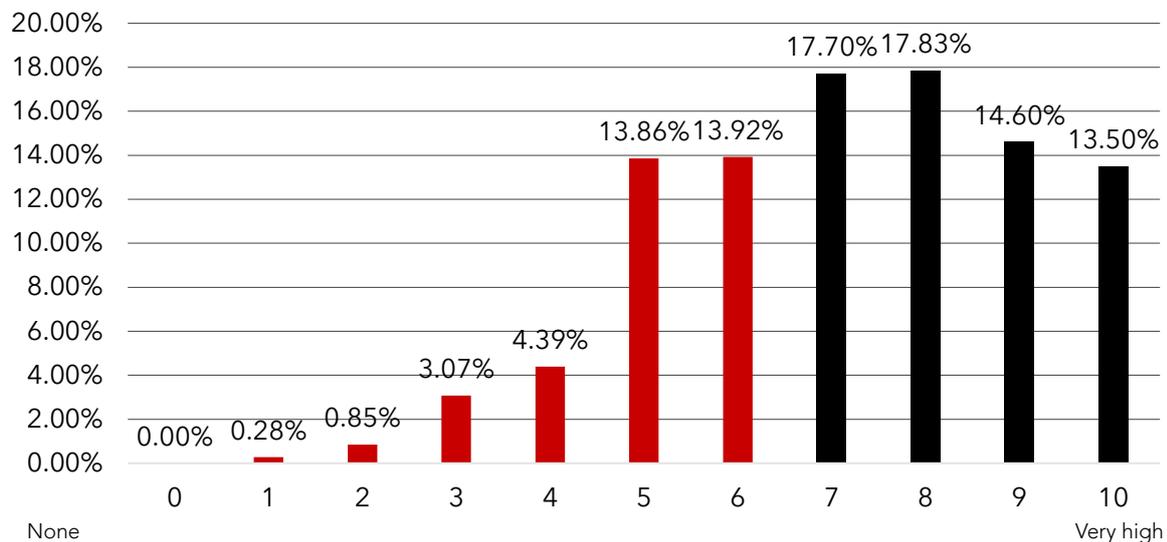
In recent years, ESG has become even more of a business imperative, dictating that businesses integrate the agenda into their strategy and operations to be compliant with environmental regulations. Businesses must remain attractive to markets – consumer and investor – and it is for the latter group, in particular, that the importance of the role of accountants in connecting ESG and investments is highlighted.

### **Building sustainable and ethical businesses**

Generally, accountants are regarded as key stakeholders – alongside other professionals – in shaping the socio-economic development of the country they operate in. Through the application of principles that are generally accepted and understood among themselves, accountants measure and give value to a country’s natural, financial, and man-made resources. By taking care of assigned custodial duties, which also involves reporting on stewardship, and offering insights to inform strategy/policy, professional accountants find themselves at the forefront with the group that leads socio-economic development on the continent.

Curious about how accountants see themselves and their profession in influencing the continent’s socio-economic development, the report sought members’ perspectives on hot topics, eg ESG, corruption, reforms, etc. The results were, simultaneously, expected and startling.

**Q: provide a rating for the level of contribution that professional accountants and/or PAOs have made in building sustainable and ethical businesses**



**Regions:** *Optimism about the profession's contribution is much higher in Eastern Africa and the Horn – especially Rwanda, Tanzania, and Zambia – and lowest in Central Africa.*

Across Africa, almost half of professionals (48%) rate the profession as making a high or very high contribution to building sustainable and ethical businesses on the continent. This perception is much higher in Eastern Africa and the Horn (54.6%) – buoyed up by the views of respondents from Rwanda (76%), Tanzania (68%), and Zambia (61%). In contrast, accountants in Uganda (42%), Ethiopia (41%) and Somalia (30%) seem to have relatively dimmer views on the contributions being made to develop sustainable and ethical businesses on the continent. On a regional basis, accountants in Central Africa seem to hold the dimmest view of their profession's ethical and sustainable contributions. Fewer than 15% in the region think highly or very highly of the profession's contribution – with Cameroon being the least impressed – and below 10% share these views of their fellow professionals on the subject.

**Sectors/ industries:** *fewer than half of accountants in the public and private sectors praised to the profession's contribution. In the private sector, however, the mining sector was far more positive.*

There was little distinction between the views of public and private sector professionals on the profession's contribution to sustainable and ethical businesses in Africa. Fewer than half (48%) of these respondents consider the profession to be contributing diligently. In the case of the private sector, however, 67% of respondents from mining view the profession's contribution as significant. This could be due to the regulation of the mining industry – obliging mining companies to undertake restorative projects that ameliorate the impact of their extractive activities in their communities.

In contrast, only a third of accountants in tourism and 41% in construction view the profession as positively contributing to sustainable and ethical businesses. Respondents from pharmaceutical and healthcare (P&HC), however, do not share this view – considering the contribution to be insubstantial. Considering that P&HC and its affiliated suppliers are recipients of a considerable donor funding – eg the Bill and Melinda Gates Foundation donates approximately US\$4 billion annually to help fight disease – it is a concern that the industry doubts the profession's contribution.

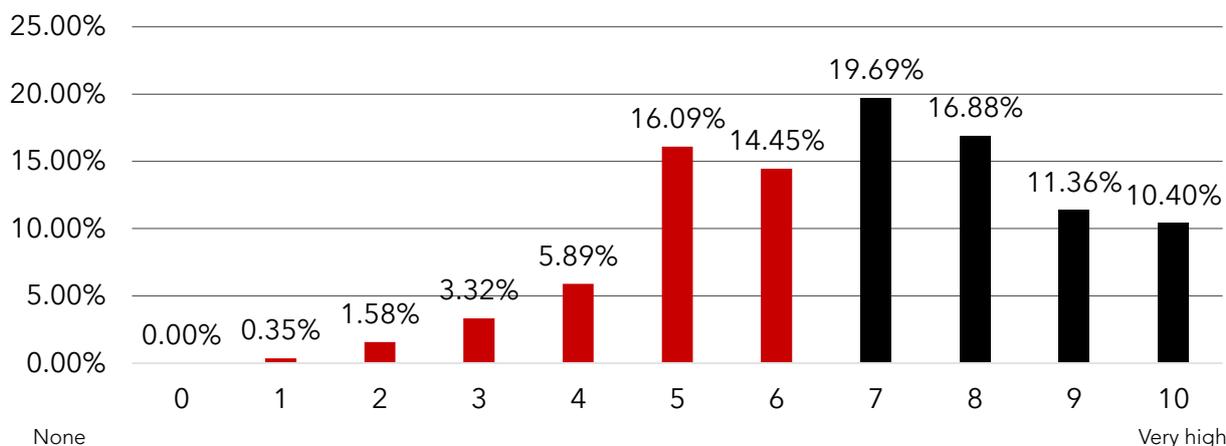
**The age factor:** millennials, Gen Z and late boomers share views on how well the profession contributes to ethical and sustainable businesses. Early boomers (retirees) are much less optimistic.

Across all age groups, respondents from Eastern Africa and the Horn are generally confident in the profession’s contribution to sustainable and ethical businesses. This positive conviction is led by both young professionals/Gen Z (55%) and mid-tier professionals/millennials (56%). In contrast, the majority of Northern Africa Gen Z (87%); Central Africa millennials (84%) and boomers (100%); and West Africa retirees (100%) have a less flattering view of the profession’s contribution.

### Reporting on the impact of business activities on the environment and society

Members’ perception of the profession’s performance in reporting the impact of an organisation’s operating activities on the environment/communities/society is similar to that in the case of sustainable and ethical businesses. Increasingly, business activities have been put under the pressure – with activists emphasising that the destructive impact of business on the planet should be isolated, clearly measured, and reported. And society (especially local communities) appropriately compensated for the loss they suffer.

**Q: provide a rating for the level of contribution that professional accountants and/or PAOs have made in reporting the impact of operating activities of organisations on the environment and communities/societies**



**Regions:** Generally, accountants across Africa are much less optimistic about the profession’s contribution to reporting the impact of businesses on the environment and society.

At a continental level, a smaller proportion of respondents (43%) agree that the profession effectively helps hold businesses accountable for the impact their operations have on both the environment and society. Interestingly, Central Africa recorded a marginally higher percentage of respondents (17% vs 15%) believing the profession is doing what society expects. In any case, Cameroon was the only country in the region that saw raised confidence in the

profession in this matter. More remarkable, is the wide shift in views of respondents from Rwanda – the proportion fell from 76% being confident in the profession’s contribution to 50% being confident in the profession’s reporting on organisations’ impact on the environment and society. In contrast, Tanzania has 60% of respondents asserting that the profession contributes significantly to sustainability via reporting on organisations’ impact on the environment and society. This view from Tanzania seems to be driven by professionals working in the banking and financial services, education, and hospitality industries.

**Sectors/industries:** *respondents in mining are not as confident about the profession's reporting on organisations' impact on the environment and society, as they are about their contribution to ethical and sustainable businesses.*

A relatively high proportion (of a comparatively small pool) of respondents from R&D (50%) and real estate (48%) rated the profession as performing considerably well in reporting organisations' impact on the environment and society. For industries that had a comparatively higher participation rate in the survey – banking and financial services, manufacturing, and education – a lower proportion (42% on average) rated the profession similarly. Consistent with views on the profession's contribution to sustainable and ethical businesses, respondents<sup>23</sup> in P&HC rated performance in this area as weak. Curiously, the number of professionals in mining who rated the profession as doing well was a significant 25% lower than the number who believe the profession has been fairly successful at contributing to sustainable and ethical businesses.

**The age factor:** *Experienced executives/late boomers in relatively larger industries in Western Africa are far less optimistic about the profession's reporting on organisations' impact on the environment and society – compared to the profession's contribution to ethical and sustainable businesses*

Except for retirees who remain unchanged, respondents across all age groups expressed lower confidence in the profession's reporting on organisations' impact on the environment and society. As with the profession's contribution to sustainable and ethical businesses, respondents from Eastern Africa and the Horn are slightly more confident than professionals from other regions. Within the region, however, young professionals/Gen Z had their conviction diluted when compared to the profession's contribution. In contrast, a few more Gen Z/young professionals in Southern Africa (45% vs 42%) noted they were more positive about the

profession's reporting on organisations' impact relative to its contribution to sustainable and ethical businesses. In Western Africa, there was a general slump in respondents' confidence across all age groups. However, the loss of confidence was evident among experienced executives/late boomers (17% lower) – mostly attributed to respondents from Ghana and Nigeria operating in the banking and financial services, oil and gas, and utilities industries.

### **Support for the deepening of professional accountancy practices in the public sector**

In recent history, African countries have implemented one reform programme or another – some were designed for economy-wide implementation, while others had sector-specific focus. They were largely intended to improve efficiency and transparency in the mobilisation, deployment, accounting for, and reporting of state resources. The reform programmes were either internally generated, lent or granted by bilateral and multilateral donor institutions.

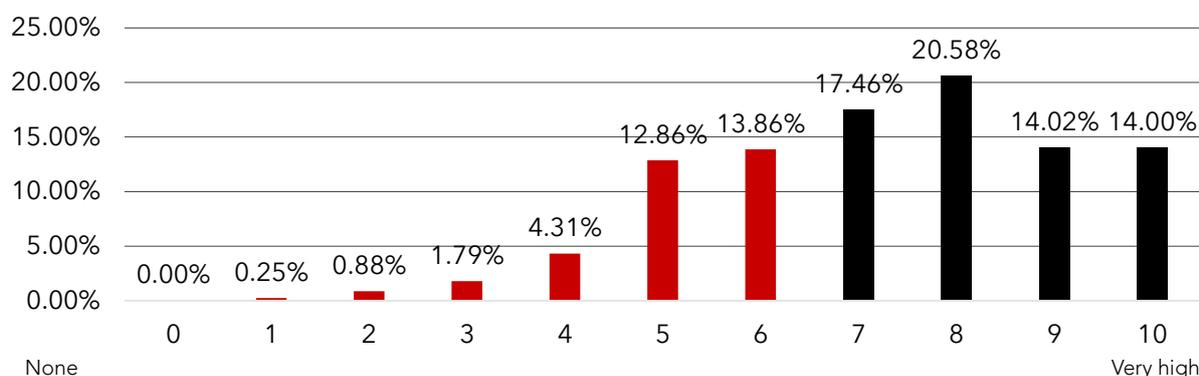
A key example of such reforms is the Public Financial Management Reform Programme (PFMRP)<sup>24</sup>, which has been implemented in various forms by many countries in Africa. Invariably, these reform programmes incorporate a capacity building component aimed to enhance – among accountancy practitioners in the public sector – the awareness and knowledge base of relevant accounting principles/standards (eg IPSAS). Often, the sponsors, designers and financiers of such programmes/projects involve the accountancy and finance profession in the development and implementation of aspects of the programmes.

The report establishes the extent the profession has supported efforts by governments and the development community to deepen professionalism of accountancy practice in the public sector. Responses to questions posed have been analysed in this sub-section of the report.

<sup>23</sup> Survey respondents in this particular instance are all male, have moderate to significant experience, work in Central Africa (Cameroon and DRC), and Northern Africa and cut across the age bands.

<sup>24</sup> <https://au.int/en/newsevents/20191014/public-financial-management-forum-2019>

**Q: provide a rating for the level of contribution that professional accountants and/or PAOs have made in provision of support to the public sector and the development community for the assessment of existing frameworks, accounting practices, and compliance with national regulatory systems.**



**Regions:** respondents from Eastern Africa and the Horn, and Southern Africa are more confident about the profession's support to strengthen accountancy practice in the public sector – with Rwanda and South Africa being the countries that showed the highest levels of conviction in their respective regions.

Overall, half of respondents (52%) believe that the profession is contributing significantly towards strengthening accountancy practice in the public sector. This notion is led by respondents from Eastern Africa and the Horn, and Southern Africa – each with a positive response rate of 53%.

In proportionate terms, respondents from Rwanda (79%) are the most certain that the profession is supporting various stakeholders to strengthen accountancy practice in the public sector. The affirmation was stronger in the public (82%) than the private (77%) sector. In the private sector, a majority of respondents (>75%) working across industries – banking and financial services, construction, education, manufacturing, and utilities – firmly believe the profession has contributed to strengthening accountancy practice in the public sector. When viewed through an 'age lens', it seems that most millennial and Gen X professionals (92%) – who are also likely to be in the middle or nearing the peak of their careers (75% - 83%) agree that the profession has performed very well in supporting stronger accountancy practice in the public sector.

In Southern Africa, respondents from South Africa lead this optimism. In proportionate terms, Botswana and Zimbabwe also share this optimism. And 65% of respondents from South Africa are confident that the profession's support to strengthen accountancy practice in the public sector is praiseworthy. Similar to Rwanda – but with a smaller gap – a relatively higher number (68%) of respondents in the public sector are swayed by the argument that the profession deserves commendation for their support. In the private sector, the equivalent is 63%. Apart from agriculture, respondents from many other industries are confident about the profession's support to strengthen accountancy practice in the public sector. These industries include construction, entertainment, manufacturing, and R&D – where at least 75% of respondents expressed optimism.

**Sectors/ industries:** compared to the profession's contribution to ethical and sustainable businesses, respondents are of the view that the profession's support to strengthen accountancy practice in the public sector is fairly good. Respondents, however, still see considerable room for improvement.

Compared to respondents' view on the profession's contribution to sustainable and ethical businesses (48%), more respondents in the public (57%) and private (51%) sectors believe the profession is doing better at supporting stronger accountancy practice in the public sector. However, 67% of respondents from P&HC rated the profession's support as low/weak. When asked whether they considered professionals to have the capacity – knowledge, expertise and experience – to support PFM reforms, their views brightened with 67% responding 'yes, somewhat' and 33% responding 'yes, they do!'. Although nuanced, could this suggest that there are factors other than capacity that impede the profession's/professionals' ability to optimise impact? A significant proportion of all respondents (54%) expressed confidence in the profession's capacity to support PFM reforms, while another 32% noted that the profession has some of the capacity required for such support.

Despite this observation, there are many respondents from various industries in the private sector who are positive about the profession's support to strengthen accountancy practice in the public sector. These include banking and financial services, education and manufacturing – where >50% of respondents rated the profession's support to strengthen accountancy practice in the public sector from high to very high.

***The age factor:** Across Africa, a higher proportion of mid-tier professionals/millennials (55%) and senior executives/late boomers (54%) are convinced that the profession provides significant support to strengthen accountancy practice in the public sector. On a regional basis – and in almost every age group – respondents from Eastern Africa and the Horn seemed more swayed by this suggestion.*

Overall, half of respondents (52%) believe that the profession is contributing significantly towards strengthening accountancy practice in the public sector.



## Insight: Could the profession be lagging behind business in its comprehension of the full impact of ESG?

Responses to questions related to ESG, climate change, and sustainability suggest that this is an area where the profession has an opportunity to enhance its impact on Africa's socio-economic development. When asked specifically how accountants and PAOs are contributing to the climate change and ESG agenda, a relatively low percentage of members identified financial reporting (44%), collaborating with government to set policy (42%), compliance with reporting standards (36%), and support for global climate initiatives (29%) among the top four ways. What we find disconcerting is that as much as 20% of respondents do not envisage a role for the profession/professionals in the climate change and ESG agenda.

It's apparent that respondents' awareness and knowledge of ESG/climate change/sustainability have been restricted by insufficient efforts by business, the profession, or professionals themselves to build the necessary capacity.

- 57% of respondents acknowledged that they lack an understanding of ESG.
- 52% of respondents also noted that they struggle to find an alignment between ESG-related duties/obligations and the traditional roles of the accountant.
- 51% further admitted to inadequate knowledge and skills.
- 92% of respondents in mining view ESG among the industry's top three future-altering trends.
- 40% of all respondents highlighted the ability to incorporate climate change and ESG into financial reporting as a major skills gap confronting the profession as business evolves.

We find the above startling, as ESG cannot be divorced from business. We agree with various stakeholders in the finance and accountancy ecosystem, including PAOs, that deliberate steps must be taken. We need to build the requisite capacity for the professional accountant to make it even more relevant to business and society, both now and in the future.

*'ESG will be critical, over and above the usual issues like technology and business skills. To help their members – the professional accountant – to upskill properly, PAOs should leverage their CPD programmes and forge the right partnerships with the universities and other education providers to create appropriate content for learning.'*

### PAO Stakeholder Group

*'More needs to be done to equip accounting academics, researchers and practitioners with what ESG entails and its applicability in the corporate world.'*

### Specialist Stakeholder Group

*'...as Africans, we do well when something relates to our everyday lives. The profession needs to find a way to incorporate ESG awareness – not just theoretically but direct it to everyday problems. PAOs should partner with municipalities and NGOs as [these latter groups] address these issues.'*

### Specialist Stakeholder Group

## Future readiness of the profession

Many might point to the Covid-19 pandemic as a defining point in history that produced the blueprint for our world's 'new normal'. In reality, this evolution towards this new normal started several years before the pandemic – driven by emergent technologies that can potentially have the greatest impact on business and society. The pandemic only served to accelerate the pace of this evolution to some extent, as it hastened the world's adoption of technology.

These technologies – PwC terms them the 'Essential Eight'<sup>25</sup> – include: 3D printing, artificial intelligence (AI), augmented reality (AR), blockchain, drones, Internet of Things (IoT), robotics, and virtual reality (VR). Their individual prospects are amplified by the ways in which they are interacting to change how tasks are performed in almost every industry and profession. Banking, capital markets, insurance and other financial services, extractives, and manufacturing are a few of the industries already experiencing the power of these technologies. Other areas include healthcare, education, pharmaceuticals and life sciences, supply chain and logistics, and retail. In effect, the skills required by most professions – physicians, surgeons, nurses, engineers, computer scientists and teachers – are set to change in ways that are predictable, yet unfamiliar.

We know that the accountancy profession is not spared from the impact of these technologies. For instance, technologies – AI, bots and cloud computing – are already altering how some accounting tasks are performed. Alongside the huge presence and anticipated impact of technology, equally important subjects, eg ESG, must be at the forefront of accountants' minds – motivating them to acquire skills that will make them future-relevant.

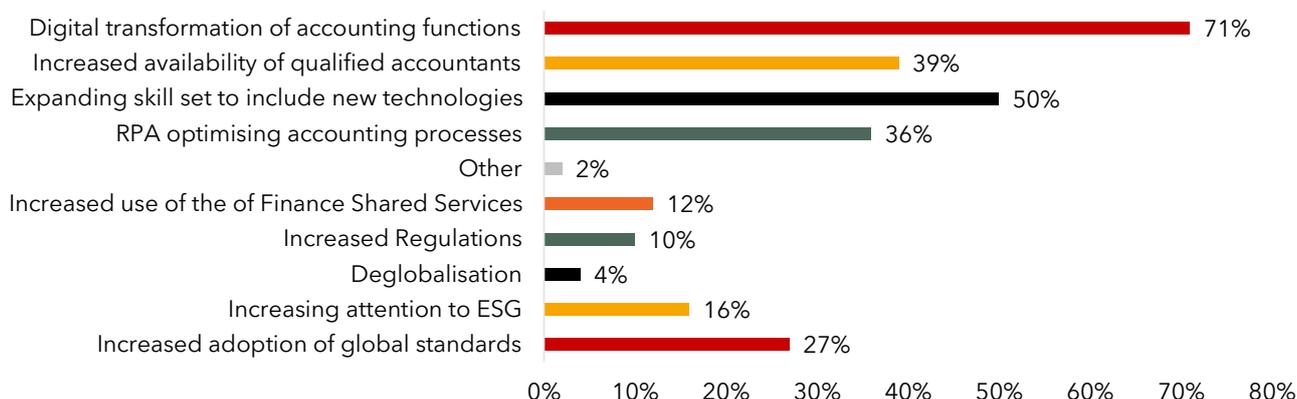
In this report, we gauged respondents' awareness/knowledge of the technologies and trends that are impacting (or expected to impact) business and the accountancy profession the most. We also sought respondents' views on how prepared and capable they deem the profession to be in leveraging the potential benefits offered by these technologies and trends. Finally, we asked them to suggest the key changes they believe that need to be taken to ensure the profession remains relevant in the future.

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25 <https://www.pwc.com/us/en/tech-effect/emerging-tech/essential-eight-technologies.html>

## Awareness or knowledge of the emergent future for the accountancy profession

**Q: What are the trends/changes that are expected to have the greatest impact on the accountancy profession and professional over the next decade?**



It was no surprise that the digital transformation of accounting functions was the most influential trend over the next decade identified by respondents. According to the second and third topmost trend choices, it's clear that accountants are acutely aware that – to be considered as a qualified accountant that is 'fit-for-purpose' in the future business environment – a new set of skills, some of which are technology-based, is required.

What is startling, is that ESG did not make it to the accountant's top five choices of trends expected to have the greatest impact on the profession and the professional over the next 10 years. What could be the reason? Could it be that the profession has not yet recognised how ESG is increasingly becoming a business imperative – and the implication that such an imperative has on the role and skills of accountants? Respondents' view of the historical roles the profession has played with respect to ESG as almost limited to reporting on CSR and similar activities. This provides some insight into the developing nature of the profession's capacity in this area. It is also a clear signal for the profession and its stakeholders to take deliberate steps to deepen capacity for ESG strategy and business management, including corporate and investor reporting.

**Regions:** Africa is united on digitalisation of the accounting function being the profession's most influential game changer in the future. In Western and Southern Africa, RPA<sup>26</sup> optimising accounting processes overtakes the continent's second choice of deepened technology skills.

In four of the five regions studied, most respondents agree that digital transformation of the accounting function leads the trends predicted to have the greatest impact on the profession and professionals in the foreseeable future.<sup>27</sup> With the exception of Central Africa, at least 70% of respondents in the other regions ranked this trend as the biggest game changer. Respondents from Central Africa also have disparate views on the trends likely to have this impact over the next decade – leading to a dilution (46%) in the proportion that voted for the continent's most-tipped trend.

For two regions – Southern and Western Africa – the third most chosen trend is RPA optimising accounting processes, as opposed to the continent's third-tipped trend of increased availability of qualified accountants. In Southern Africa, 40% of respondents, and 39% from Western Africa, support the view that RPA optimising accounting processes will be the profession's third most influential trend.

<sup>26</sup> Robotic process automation

<sup>27</sup> The fifth region is Northern Africa, where member's views on the big trends are rather disparate making 'Other' the highest choice.

Respondents from these two regions also have a relatively higher awareness of ESG as a potential agenda-setter for the profession over the next decade, compared to the rest of the continent. In Western Africa, 25% of respondents, and 18% from Southern Africa, chose increasing attention to ESG among their top three trends. The least attuned to the likely impact of ESG on the profession is Northern Africa, where only 3% selected that option among their top three trends.

**Sectors/ industries:** *respondents from the public and private sectors agree on the top four future-altering trends. It is intriguing that, generally, respondents do not seem very concerned about ESG as a major influencer of the future of business, most strikingly in the mining sector.*

There is virtually no difference between the public and private sectors on the topmost trend expected to impact the profession and professionals over the next decade; 71% of public sector compared to 70% of private sector respondents agree on the digitalisation of the accounting function. However, while there is agreement on the third-placed change agent – increased availability of qualified accountants – respondents from different sectors are slightly divided on the real extent it is considered to be a future-altering trend. In the public sector, 44% of respondents agree that increased availability of qualified accountants would have a significant impact on the profession – with 38% of private sector respondents sharing this view.

Additional areas where there are differences in views include the underlisted. The observed variances may give an insight into the various levels of awareness, knowledge and adoption of different elements existing in the two broad sectors:

- Increasing attention to ESG (15% public sector vs 16% private sector).
- RPA optimising accounting processes (34% public sector vs 37% private sector).
- Adoption of global standards (32% public sector vs 25% private sector).

Further analysis of the responses from the private sector reveals:

- Respondents in education, manufacturing, oil and gas, retail, and utilities all included RPA optimising accounting processes in their top three choices for trends expected to impact the profession over the next decade.
- Manufacturing has the highest proportion (26%) of respondents identifying ESG as a future-shaping trend.
- A surprisingly low 8% of respondents in mining and also in tourism count ESG among their top three trends.

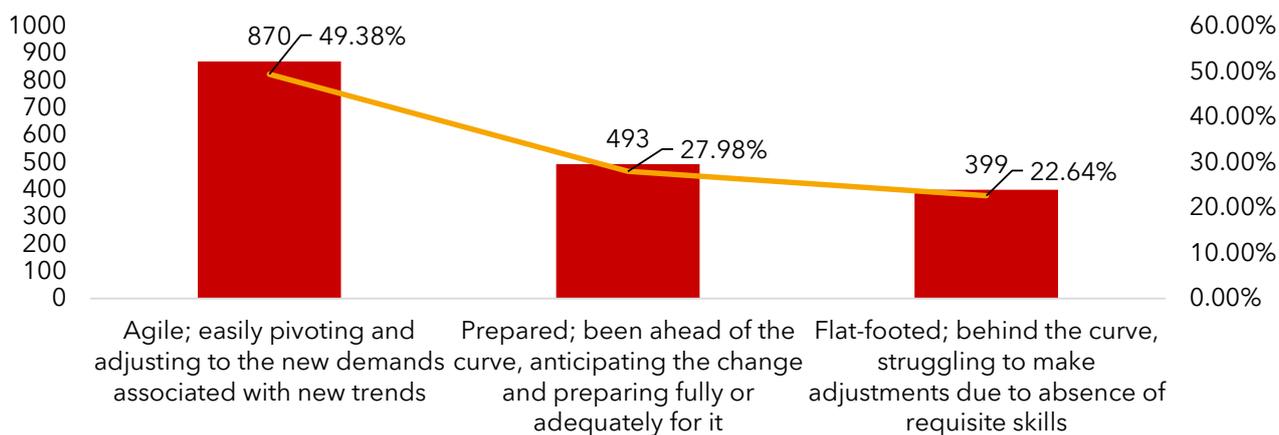
**The age factor:** *respondents in all age groups are unanimous on what the profession's greatest game changer would be; however, while millennials and late boomers believe that RPA will be the second most influential trend, Gen Z place believe it will be increased availability of qualified accountants.*

Generally, across Africa, mid-tier professionals/millennials and management and executives/boomers agree on the digitalisation of the accounting function leading the trends expected to impact the profession and professionals in a future-altering manner. Of these two age groups, 72% scored this trend among their top three choices – with 69% of young professionals/Gen Z and of retiree professionals/early boomers sharing this view.

Similarly, mid-tier professionals/millennials and executives/late boomers both expect RPA optimising accounting functions to influence the future of the profession more than increased availability of qualified accountants, which is the continent's third favoured trend. Gen Z/young professionals (41%) and retirees/early boomers (33%) support the continent's general position on the third placed trend.

## Preparedness of the profession in Africa for the future

**Q: In your view, how is the accountancy profession generally responding to these future-altering trends?**



Across Africa, fewer than a third (28%) of respondents believe the profession is adequately prepared for the changes they expect to most impact their own operations and influence over the next decade. It is, however, reassuring that almost half (49%) of all respondents are confident that the profession is agile and able to adapt to meet their constituents' demands.

Still, it is disconcerting that more than a fifth of respondents consider the profession has been caught flat-footed, especially as these changes were heralded over a decade ago.

**Regions:** overall, *Eastern Africa and the Horn leads the continent in its optimism that the profession is prepared or agile enough to rapidly respond to trends impacting its future. Central Africa expresses more pessimism.*

Viewed through a regional lens, 38% of respondents from Northern Africa lead the continent's confidence that the profession is prepared for the changes expected to impact business and the profession. The region is closely followed by Eastern Africa and the Horn, where 34% of respondents agreed that the profession is absolutely prepared for the changes.

In terms of overall optimism, the continent is led by Eastern Africa and the Horn – where 82% of respondents agreed that the profession is prepared or sufficiently agile to respond to the future-altering trends.<sup>28</sup> In the region, the confidence among young professionals/Gen Z in the profession's preparedness for the future is strongest compared to other age groups. Retired professionals, meanwhile, are the least convinced.

Respondents from Western Africa share the optimism of their colleagues in East Africa and the Horn, with 78% certain that the profession is prepared (24%) or agile (54%) for the future.

The region that is least optimistic about the profession's preparedness or agility is Central Africa, where 40% of respondents believe that the profession has been caught flat-footed by the trends that would be most crucial to the future of business.

**Sectors/ industries:** *just as respondents from the public and private sectors are unanimous in their agreement on what trend would impact the profession's future the most, they are equally united in their views on the profession's state of readiness. In the private sector, respondents in mining are least optimistic.*

<sup>28</sup> This result is considerably influenced by the very positive feedback from Zambia and Tanzania. These two countries accounted for ~37% of the region's total survey responses, and – collectively – believe that the profession is about 89% prepared or agile.

There is not much difference in opinion between respondents on either side of the public-private sector divide. 77% of respondents from the public sector believe the profession is prepared or agile and can face future-altering trends. 76% of private sector professionals share this view.

Analysing the private sector responses, respondents in mining seem the least optimistic about the profession’s preparedness for future-altering trends. As many as one-third (33%) of respondents believe that the profession has been caught off-guard – and is struggling to adjust to the requirements of the new trends as a result of insufficient skills or slow upskilling. Interestingly, it is Eastern Africa and the Horn (specifically, Zambia) that expressed more pessimism.

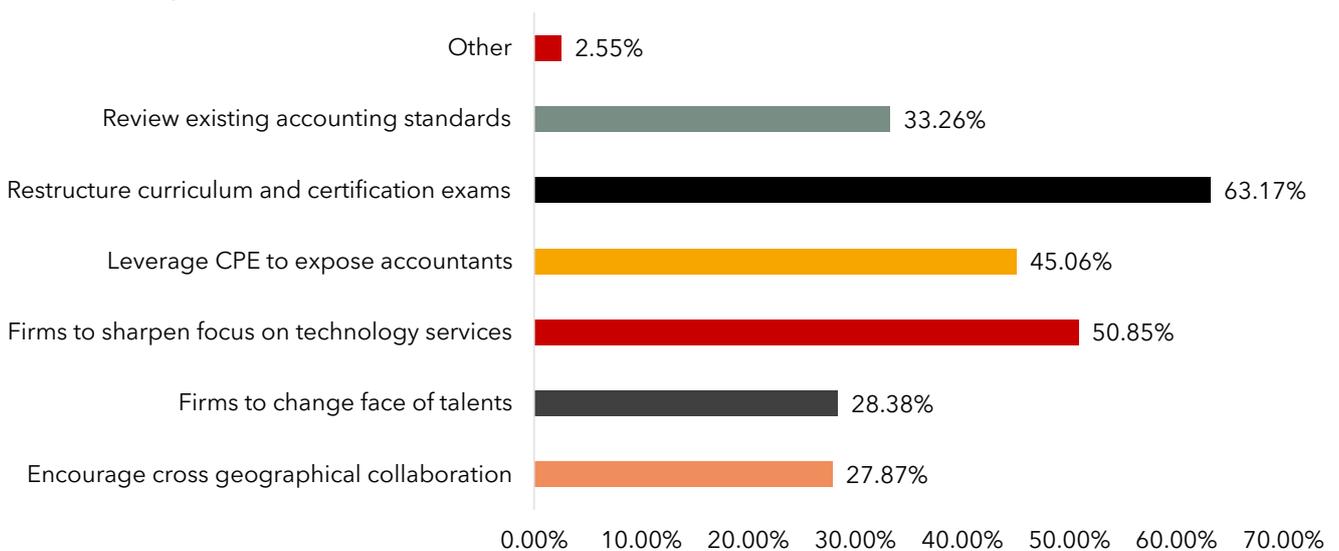
In contrast, respondents in telecommunications praise the profession for its preparedness. Only 13% of respondents feel that accountants might be unprepared for the trends that influence business and the profession – with the doubts expressed by respondents in Eswatini, Chad and Nigeria.

**The age factor:** *the youth still retain the belief they have in the profession’s ability to make a difference in the future of society... perhaps, the same conviction that made them choose accountancy as a career!*

Across Africa, retiree professionals are the least confident about the profession’s readiness for the future; 29% of retirees opine that the profession has been caught off-guard by these all-important trends impacting the future of business and the profession. On the other end of the age spectrum, and perhaps not surprisingly, young professionals/ Gen Zers feel the most optimistic; 80% view the profession as either prepared or agile enough to pivot and adapt to the dictates of the future. In between these extremes, it is the mid-tier professionals/ millennials that lean towards optimistic for the profession’s future-readiness.

### What is expected of the profession to make itself future proof

**Q: Where should the accountancy profession start to target the changes it needs to make it future proof?**



Respondents believe that PAOs and practice firms have an important, shared responsibility in ensuring the profession retains its relevance in the future. Standards-setters also receive mention – with 33% of respondents suggesting regulators should revise existing standards to reflect the impact that these trends are expected to generate.

A significant proportion of respondents believe that the answer to the question ‘where should the profession start?’ lies in *what accountants are taught and how they are trained*. Overall, 63% of respondents assert that PAOs must review the curriculum of the professional accountancy courses and restructure certification exams to increase the attention given to future-relevant technology-related content. Meanwhile, 45% of respondents further challenge PAOs to leverage CPE as a continuous learning platform for members to better understand the trends that are deemed to have the greatest impact on business and the profession in the future.

And 51% of all respondents urge practice firms to sharpen their focus on technology-based professional services. While this shift is already underway among the larger practice firms on the continent, the fact that it came second among the top three choices underlines the importance of this response for the profession.

Another reason for this response being more important is the fact that practice firms provide practical training to most professionals. For example, 43% of respondents describing themselves as having basic experience noted that they are employed by professional services providers. A significant 60% of these respondents noted that they are involved in the provision of external audit services.

As professionals gain more work experience, they are likely to move into industry and different functional roles. For instance, the top three organisational types employing the majority of moderate-to-very experienced respondents are: large corporate organisations (25%); the public sector (19%); and enterprises employing fewer than 50 personnel (12%). And these more experienced professionals mostly work in functions other than external audit. The typical functional areas worked in by more experienced professionals are: financial accounting (45%), management accounting (22%), tax accounting (16%), public sector accounting (15%), internal audit (12%), and cost accounting (10%). Only 8% of this group noted they work in external audit roles.

It is this ‘migration’ of professionals as they gain more experience that makes respondents’ call on practice firms to sharpen their technology-based professional services important for preparing professionals for the future.

**Regions:** most of the continent agree that curriculum and examination changes by PAOs are the most favoured solution to future-proof the profession and the professional. Respondents from Northern Africa, however, seem to disagree to some extent with the rest of the continent, as well as among themselves.

Respondents from Western Africa (70%) are the most assertive that PAOs should consider a shift in curriculum and examination in favour of technology-related content as the most important solution for preparing the profession and professionals for a very different future. This compares to Southern Africa (66%), Eastern Africa and the Horn (59%), and Central Africa (56%). A considerably lower proportion of respondents in Northern Africa (38%) agree with this view – but are divided on what should be the highest tipped solution, with 49% of the region’s respondents selecting ‘Other’.

The regions’ respective choices for the second and third favoured solutions are, however, not consistent across the continent. Respondents from Western Africa (50%) and Central Africa (41%) believe that PAOs should consider restructuring CPE to enhance its effectiveness as a tool for making the profession and professional future relevant. In contrast, the other regions favour practice firms increasing their technology-based services as the second choice for preparing the profession and professionals for the future – Southern Africa (54%), Eastern Africa and the Horn (53%), and Northern Africa (a distant 26%).

Invariably, all regions<sup>29</sup> agree on their fourth choices – that standards-setters are the ‘third force’ – after PAOs and practice firms – responsible for ensuring that the profession and professional remain relevant to the future.

**Sectors/ industries:** respondents from the public and private sectors are aligned on the choices of responses to future-altering trends, with curriculum and exam changes leading. In the private sector, the telecommunications, information technology and entertainment industries favour practice firms increasing tech offerings, and PAOs leveraging CPE.

Respondents from the public and private sectors are generally aligned on the top four responses that the profession should consider in relation to the future-altering trends identified earlier – with some discernible variances between the first and fourth responses:

- Of public sector respondents, 68% selected curriculum and examination changes by PAOs as the primary strategic response to be considered by the profession – with 63% of private sector participants agreeing with this view.
- As their fourth choice, 36% of public sector respondents urge accounting standards-setters to review and update existing standards to anticipate the impact of these trends on business and society – with 32% of private sector participants agreeing with this view.

Further analysis suggests that, in both private and public sectors, a higher proportion of senior or more experienced professionals favour curriculum and examination changes by PAOs as the first choice for future-proofing the profession and professional. Elsewhere, 78% of public sector and 68% of private sector respondents agree with this response. In comparison, the proportions are lower for Gen Z – 62% for the public sector and 60% for the private sector.

<sup>29</sup> The Central Africa region is excluded, as members (27%) put the burden of responsibility on practice firms still, urging them to signal the desired changes for the future via deliberate talent decisions.

With the exception of three industries, respondents in the private sector generally agree that curriculum and examination changes by PAOs to incorporate more technology-related topics should be the profession's first line of response. This will help gain immunity against reduced relevance in the medium to long-term future. The three industries have the following views; telecommunications and information technology (practice firms to increase their technology-based service offerings), and entertainment (PAOs to leverage CPE and use it to expose practicing accountants more to trending technologies and their related business impacts).

Of the remaining industries, respondents in the primary/extractive industries expressed strong convictions<sup>30</sup> about curriculum and examination changes being considered as the profession's first line response; agriculture (67%), construction (70%), oil and gas (75%), and mining (79%).

For their fourth choices, three industries – banking and financial services, mining, and entertainment – propose that PAOs increasingly collaborate across geographies to allow 'native' certifications to be easily accepted and recognised in other countries. The remaining industries are convinced that standards-setters must raise their efforts to ensure the profession remains future-relevant.

**The age factor:** *largely, respondents at every age agree with the profession's first line of response to insure against the future must be. Gen Z professionals in Eastern Africa and the Horn, however, believe that practice firms are the first line of response and must deepen tech offerings to facilitate learning.*

At a continental level, respondents – in spite of their age – agree on what the profession's first response to emergent trends should be to ensure that both business and society find accountancy relevant in the future. The expectation that PAOs must change curriculum and examination to deepen technology-related content is fairly high among respondents; executives/late boomers (69%), mid-tier professionals/millennials (65%), young professionals/Gen Z (59%), and retirees/ early boomers (57%).

For what the profession should consider as the second line of response, Gen Z professionals urge practice firms to sharpen their focus on technology-related offerings, while older professionals favour leveraging CPE. This could be because younger professionals typically start their careers with practice firms – hence Gen Z professionals favouring that route to prepare for the future.

Furthermore, across the continent, about a third of the respondents in each age group note that standards-setters also have a role to play in the preparation of the future accountant and profession.

When responses are analysed by age and region, all professionals lean towards curriculum and examination changes as the favoured option. The exception is the Gen Z professionals in Eastern Africa and the Horn – where 56% believe that the first option the profession must consider is to encourage practice firms to deepen their technology service offerings, leveraging that as a platform for proactive learning by professionals for the future.

<sup>30</sup> At least two-thirds of members in the respective industries shared the view.

### **Insight: The need to match enthusiasm with deliberate action to reach a true state of readiness**

Respondents assert that the profession is fully aware of the major trends that are set to shape business in the rapidly unfolding medium to long-term future. They are also clear on what the impact of these trends would be on the profession. A convincing 71% of respondents agree that the topmost shaper of the future will be digitalisation of the accountancy function. Respondents also agreed on other trends that are tipped to impact business and society. These include the automation of some accounting processes by robots (bots), a virulently growing need for non-traditional skills, and increased availability of/demand for qualified accountants.

Of the respondents, 77% noted that the profession is either fully prepared or sufficiently agile to adapt and meet the demands made on it. For various reasons, the optimism is unevenly spread across the continent with respondents from Eastern Africa and the Horn being far more confident compared to respondents in Central Africa.

While we acknowledge the enthusiasm expressed about how prepared the profession is to take on its future, we are conscious that a fifth of its respondents expressed pessimism. They note that the profession has been blindsided and caught flat-footed by the ever-changing future – and that interventions are needed to adequately future proof itself. Indeed, about triple the number of pessimists suggest that to future-proof the profession and the professional, PAOs must consider revising their curricula, examinations, and CPE – infusing these with content that would equip accountants for the future. Respondents also propose that practice firms and standards-setters all establish and implement actions that will steer the profession and its members towards ensuring they remain relevant to business and society for decades to come.

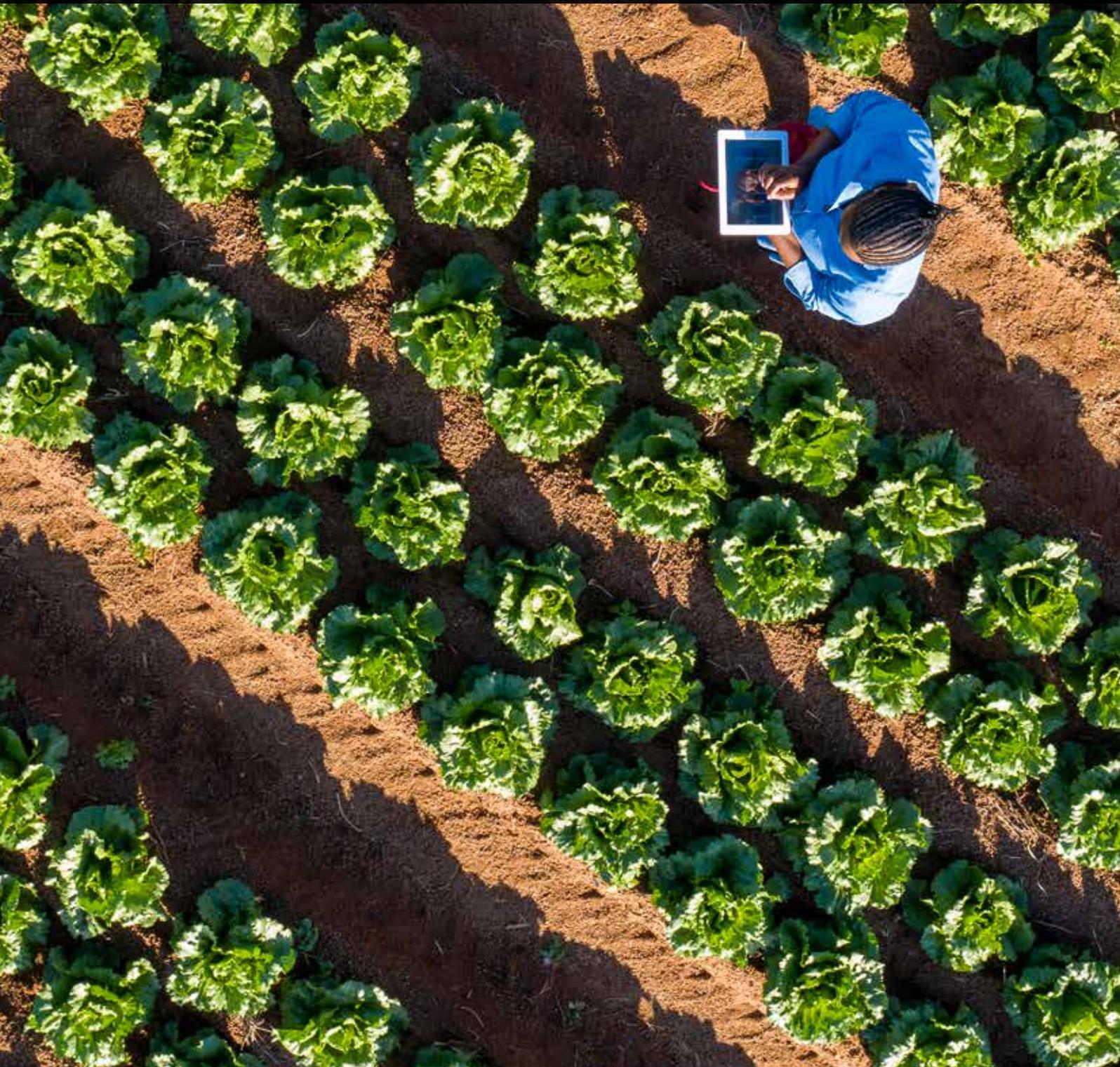
Indeed, during the stakeholder roundtable, a high number of participants noted the importance of boldly implementing actions that will equal the enthusiasm expressed about the state of readiness. It's encouraging that many of these have been known to/considered by many of the stakeholders constituting the profession's ecosystem:

**'PAOs must constantly screen for new trends and appropriately capture these as they develop, structure and update their curricula/CPD programmes to ensure that they are deliberately working to create future-ready, future-fit accountants. For older (Gen X and later boomer) members, PAOs should utilise partnerships with universities and other education providers to upskill them. The Institute of Chartered Accountants of Zimbabwe (ICAZ), for example, has a Leadership Masterclass for both trainees and qualified members, designed to close any gaps.'**

**ICAZ Zimbabwe, PAO Stakeholder Group**



One of the most significant factors influencing the accountancy profession in Africa is technology.



# Key trends affecting the accountancy profession in Africa

## Digitisation/digitalisation and automation of the accounting function

One of the most significant factors influencing the accountancy profession in Africa is technology. The continent's growth in telecommunications and technology solutions lays the groundwork for process automation and ERP deployment. According to data collected during roundtable sessions with stakeholders, accountants believe that the digital transformation of the accounting function will have the greatest influence in the coming decade. Currently, technical advancements impacting the profession include process automation, ERP implementation, and the use of predictive accounting software.

## Changes in accounting standards

Even though worldwide accounting standards have been developed for over two decades, African nations have adopted them at various degrees. Only approximately 18% of the 45 nations studied have fully implemented the IPSAS, whereas 38% have fully implemented the IFRS. Many nations have embraced the international norms in part, but some have yet to begin. Due to restricted resources in French translations, roundtable discussions indicated that progress in the adoption of international accounting standards is more significant in English-speaking nations than in French-speaking ones. Stakeholders propose deliberate collaboration across Africa to make collective progress in the harmonisation of national and international accounting standards.

## Increased integration of accounting with business strategy and operations

Professional accountants have realised that their responsibilities have evolved beyond simply managing the accounts. To remain relevant as a profession, accountants must integrate their work into the organisation's broader strategy. Professionals must have excellent business acumen and technological knowledge, as well as be able to derive insights from data to build organisational strategy. Professionals must also be familiar with changing local and global regulations – and be able to explain the organisation's complete narrative rather than just the figures.

## Upskilling of accountants

With constantly evolving business requirements coupled with changing accounting standards, accountants need to be aware of the profession's changing demands and expectations. To achieve this, regular opportunities for upskilling and CPD programmes must be made available to professionals. Among the critical areas that most roundtable participants identified as requiring upskilling were in strategy planning, market intelligence, and performance management. Business acumen, operations knowledge, technology, information systems, data analytics and the incorporation of climate change and ESG matters into financial reporting are other areas deemed critical to the profession. This concurs with accountants moving from the traditional bookkeeping roles into more creative and strategic ones.

### Partnerships/effective collaboration

Collaboration between PAOs and other related stakeholders improves the impact the profession has on socio-economic development, both regionally and locally. Traditionally, PAOs use MOUs to govern partnerships between them; roundtable participants believe that PAOs should be encouraged to operationalise the MOUs through agreement on specific actions to be taken. One route for collaboration could be to pursue joint projects where all PAOs contribute – eg a project that is aimed at restoring or increasing trust in the accountancy profession. A common trend that respondents highlighted was the need for HEIs to include

practical training requirements in their courses. This allows students graduating from these institutions to be better placed to function in the work environment. Stakeholders, such as practice firms, noted significant and somewhat expected gaps in the capabilities of graduate hires – believing that collaboration between PAOs and HEIs will significantly reduce these gaps. Collaborations with governments and the leadership of regional bodies such as ECOWAS and the African Union (AU) through PAFA, for instance, is also believed to help unite the profession in harmonising the adoption of common reporting standards.

Collaboration between PAOs and other related stakeholders improves the impact the profession has on socio-economic development, both regionally and locally.

# Emergent opportunities and challenges facing the accountancy profession in Africa

For the profession to be strengthened and thrive, opportunities for growth and improvement must be embraced and challenges addressed. Interactions with professional accountants across various regions and organisations has highlighted opportunities which could strengthen the profession or address the challenges it faces and what support is needed. Actionable plans must be developed for the profession and shared with key stakeholders – setting timelines to address, implement and resolve these challenges, as well as monitoring current and projected success.

## Public sector engagements

A major opportunity identified to propel the profession was further engagement with the public sector to inspire global impact. It is evident from the survey responses that partnerships between the profession and other stakeholders – such as development partners – are mainly focused on capacity building in the public sector. This may very well be a result of support being directed towards PFM reforms. Ultimately, professionals on the continent believe that the profession does less work in the public sector, while further engagement with public sector members and the various governments could strengthen the profession.

Data from the report's conducted desk research suggests that only 11% of participating countries in Africa have fully adopted and 39% had partially adopted the IPSAS. This affirms the need to enhance the engagement between the profession and the public sector in Africa. Participants also highlighted the importance of public sector involvement in the global development agenda, such as the SDGs and the Africa AU Agenda 2063. On the forms of collaborations that will enable the rapid actualisation of the Africa Growth agenda, participants suggested professionalising the public sector as a key economic sector and positioning the accountancy profession as a trusted advisor to the public sector, as steps it needs to take to achieve this.

## Technology

The opportunities that technology presents to the profession are numerous. Emerging technologies<sup>31</sup> such as AI, Big Data, blockchain etc present new opportunities for digitalisation and automation of the accounting function to help in efficiently and effectively interpreting data. With the Covid-19 pandemic pushing the world into the Fifth Industrial Revolution (5IR) – where humans collaborate with increasingly smart technologies – the accountancy profession could not be better placed to contribute through digitisation/ digitalisation and technology advancement of accounting functions.

Despite the opportunities technology presents to the profession, accountancy professionals are sceptical about Africa embracing them due to infrastructure challenges and difficulties in acquiring such technology-related competencies. The HEI Stakeholder Group largely views the preparedness of their students to leverage the benefits offered by these technologies as low. This suggests a need to train students who, ironically, are expected to be (and are indeed) more tech savvy than their older colleagues.

Professionals expressed a desire to see the accountancy profession move from being only technology consumers to becoming the champions of technology – driving trends and contributing to how technology evolves, especially in moving from the 4IR<sup>32</sup> into the 5IR<sup>33</sup>. The 5IR can be summarised as the combination of humans and machines in the workplace<sup>34</sup> – with more advanced collaboration between humans, machine, and systems to maximise performance.

### **Challenges faced by the profession in Francophone Africa**

Language barriers create challenges in adopting the various accounting standards by Francophone countries, especially since these standards are usually represented in English without translations. In our survey, while 83% and 20% of Anglophone respondents indicated that their countries had fully adopted IFRS and IPSAS respectively, only 23% and 2% of Francophone respondents had done the same. It is encouraging to note that 56% of Francophone respondents mentioned partial IFRS adoption.

Roundtable participants also noted the perceived inadequate Francophone representation in the accountancy and profession in Africa. They would prefer more collaboration between French and English-speaking regions of Africa to strengthen the profession. Unfortunately, we also had only 2% of Francophone respondents in our survey, compared to the significant majority (98%) of Anglophone respondents. More needs to be done to integrate the profession across Africa.

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32 Fourth Industrial Revolution

33 Fifth Industrial Revolution

34 <https://regenesys.net/reginsights/the-fifth-industrial-revolution-5ir/>

### **Lack of awareness and understanding of the climate change/ESG agenda**

Across the continent, it's evident that there is inadequate understanding and awareness of the climate change and ESG agenda – and how the accountancy profession can contribute towards it. Paramount among the limitations of the involvement of accountants in this agenda was the lack of understanding of ESG issues, inadequate knowledge and skills, and the apparent disinterest of professionals.

Respondents generally did not seem to view ESG matters as having a great impact on the profession over the next 10 years; consequently, a significant number of respondents' countries are yet to embrace the agenda. This suggests a general gap in the appreciation for ESG and climate issues across the region, although the Western and Southern Africa regions have higher regard for it. This should be a matter of concern for the profession as sustainability reporting is rapidly gaining importance in the reporting expectations of various stakeholders, especially investors who consider ESG issues in decision-making.

### **Gaps in the skillset of HEI graduates and the expectations of the work environment**

Practice firms and other stakeholders noted significant gaps found regarding the skillset of new hires – soft skills, emotional intelligence (which is pivotal in providing professional services), and the inability of some graduates to apply their knowledge in practice. Roundtable participants noted the importance of such skills in the accounting practice, especially in audit functions where interpersonal skills like professional scepticism is paramount. Other participants also suggested gaps regarding the areas of research – innovation, and invention – where the content produced is able to solve real life problems. This ensures that accountants are future-ready and able to implement forward-thinking.

To bridge this gap, stakeholders suggested effective collaboration between PAOs, HEIs and practice firms – where practical requirements are introduced into the curricula and made a pre-requisite for graduation. This means graduates from HEIs will have some practical experience relevant to the work environment. Our poll revealed that the three development areas HEIs required the most support were technology (relating to the use of digital tools, RPA, bots, data analytics, etc), research and publication support. Assistance with curricula development and revision tailored to the trends and requirements of practice and industry are necessary.

### **Obstacles to full adoption of global accounting standards**

Among the obstacles that stakeholders highlighted was the lack of enforcement mechanisms and compliance issues, which means the profession does not actively enforce the adoption and implementation of these standards. Other respondents cited the lack of relevant knowledge and practical experience by accountants to be the barrier to full adoption of certain global accounting standards. Additionally, respondents suggested that the initial costs of training and consultancy services required to achieve full adoption was too high. This is a significant challenge to the profession in its bid to harmonise the adoption of relevant standards across the region, and for financial statement comparability across Africa and globally.



The combined insights from key representatives indicated challenges and opportunities for the profession in the public sector.



# Government and public sector stakeholder perspectives

To highlight the public sector – and gauge the capacity of the profession – we met with stakeholders in public institutions and regional organisations (including AFROSAI-E, ESAAG), and offices of auditors general and accountants general in Nigeria, Mauritius, Rwanda, and South Africa. The combined insights from key representatives indicated challenges and opportunities for the profession in the public sector. These include the demand and competency requirements, limiting policies and frameworks, and partnership and capacity development strategies toward growing the profession to effectively support central finance functions and PFM reform processes across public institutions in Africa.

## Competency framework

Public institutions have policies guiding competency requirements for accountants which could specify a minimum entry level HND, BSc and, in some countries, a further professional level qualification. At the institutional level, PAOs may further provide competency framework guidelines in some jurisdictions. In some countries, INTOSAI and IFAC standards for performance management in public sector introduce a further layer of competency requirement that frameworks utilised across the continent. In terms of how public institutions are enabling/implementing transformational agendas, some ministries of finance are already working collaboratively with national PAOs and regional partners. They are designed to map performance management, learning and retention strategies, and highlight measures to ensure public interest, ESG/ethics, effective communication skills, leadership, and advocacy.

## Demand for the profession

The importance of the profession in public sector and government institutions cannot be overemphasised. The survey and roundtables highlighted an opportunity for the profession to become more involved in the management of public institutions toward making a global impact. The sessions with government representatives reinforce this view. However, attracting and retaining professional accountants and upskilling the existing workforce poses challenges for the sector for various reasons, including competitive pay, bureaucracy, politics and corruption. These pipeline gaps are emphasised by the increased demand for accounting and finance technical competencies to manage PFM Reform processes within the larger transformation agendas of countries. Governments are also under pressure to ensure their institutions are effectively integrated to meet the UN SDGs and AU Agenda 2063 transformation plans, which would determine a country's attractiveness to foreign investment.

Developing and growing the absolute numbers required to occupy these roles is a significant challenge and the gap is large. Some countries estimate about 5,000 professional accountants are required to drive PFM reform processes in addition to those required to manage central finance functions. The successful implementation of IPSAS is also related as the standard for professionals to report and measure the performance and sustainability of public institutions. IPSAS is adopted across the continent at varying levels; a key challenge is the lack of expertise to implement the standards.

Accountants are also key to facilitating the transformation of public institutions through training/re-training other key functions aligned to the reform systems – including engaging with experts in specialist areas such as information technology, procurement, and ESG.

Representatives agree that public institutions are not adequately supported due to the dearth of finance professionals compared to the private sector. The demand for the profession in the public sector is growing with opportunities for the profession to move beyond the preparation of financial information to providing strategic guidance to influence change in delivery of public services – in the interest of the public. Professionals are encouraged to explore public sector opportunities and seek to demonstrate their competencies and value toward becoming trusted advisors. The profession, PAOs and governments are also encouraged to create enabling public institutions that attract effective finance professionals.

### Capacity development

Public institutions have guiding employment policies that stipulate retirement and tenure rules, which also apply to the ministries of finance and related functions. A generational gap has arisen as institutions are seeing the exit of competent and experienced finance professionals when they reach their retirement ages at 60, and after 35 years of service. Strategies are being explored to close the gap caused by the exiting older generations and lack of supply of younger professionals to fill the vacancies. The attraction of the younger professional is a key area as the levels of commitment to finishing their qualification is diminishing. Some training policies also prioritise the development of older staff over the younger employees. This poses a threat to the sustainability of institutions as PFM reform systems and processes require a balance of roles across generations and beyond the role of the accountant general – hence the importance of addressing this bias.

Regional organisations like ESAAG and AFROSAI-E are playing their part to establish the capacity requirements and facilitate institutional and skills development. While funding from development partners is accessible to support capacity development, regional coordination efforts would be more transparent and accountable – with the establishment of a regional capacity baseline assessment to monitor performance.

Obtaining the buy-in of politicians and increasing political will is an area for development. However, some country audit offices and finance ministries are engaging strategically with politicians across levels of government to provide funding toward building capacity. The profession needs to engage more proactively and articulate its benefits in influencing and building trust with government. Stakeholders also agree that there are opportunities to develop the profession and drive its own agenda while aligning with government requirements.

The profession needs to articulate the benefit of its public value to the younger generation. Strategies should include mitigating barriers to recruiting qualified accountants, creating a sustainable learning technology infrastructure, and integrating specialist competencies (including crypto and ESG). The recruitment of change champions will help facilitate institutional buy-in to initiatives and mitigate resistance to change. PAOs can also play a role in driving sector transformation through the implementation of standards. In some countries, public institutions will only receive an unqualified auditor's report if they can demonstrate progress in the strategy towards institutional transformation.

## Partnerships

UN SDG 17 reinforces the importance of partnerships where the effectiveness and sustainability of the global agenda can be realised. Development partners have demonstrated their enthusiasm to support capacity building initiatives to professionalise the public sector. For example, AFROSAI-E has over time contributed technical assistance toward the development of PFM reform frameworks in Africa. The successful implementation of PFM reforms will contribute to the overall achievement of the UN SDGs and AU Agenda 2063.

Governments are also partnering with national and international bodies to support capacity building of professionals. However, achieving the desired outcomes of the PFM Reform have been challenged by the large competency deficit and the minimal understanding of the reform among government stakeholders.

The profession should articulate its public value proposition to support governments to stakeholders – who need to proactively engage and collaborate with development partners and relevant capacity building institutions throughout the journey.

The strategic alliances of stakeholders in the finance and accountancy ecosystem should also be established to ensure the profession is able to roundly deliver on its promise to society. The profession can explore how it would facilitate such an alliance to support public sector transformation.

## Influencing socio-economic development

The profession must step up and be recognised as actively influencing transformation and socio-economic development. The value associated with economists' contributions toward socio-economic development is higher compared to accountants in the public sector. This is because accountants have become less trusted given several corporate scandals involving the profession – due to the lack of understanding of the actual role of accountants.

The profession needs to articulate its role expectations with its stakeholders and endeavour to position professionals in key roles in government and the public sector – ensuring professionals are in the right positions to positively impact socio-economic development. Survey respondents expressed optimism over the profession's readiness, proactivity and thought leadership efforts to influence socio-economic development. This optimism indicates potential for increased levels of engagement between the profession and the public sector.

## The future-fit professional

The future-ready accountant in the public sector will have combined skills to manage the performance of public institutions and PFM reforms – leveraging technology platforms and ESG considerations to improve the accountability of public institutions while removing institutional budget bias. There are opportunities here for the profession and PAOs to facilitate the development of action plans to deliver activities aligned to the UN SDGs and AU Agenda 2063.

The importance of ethics and ethical behaviours requires reinforcement in the public sector – as the culture across institutions poses ethical dilemmas for professionals impacting retention. There is an opportunity for the profession to recultivate ethics through CPD with greater emphasis on ethical behaviour in the public sector.

Technology and ESG are important elements for the development of the public sector but, unfortunately, the lack of clear attention, plans and government investment have left these areas neglected. There is a need for the relevant stakeholders to emphasise the importance of enabling technologies and ESG to governments – and how building capacity would support the achievement of these objectives.



Most of the messages that filtered through to us in the course of this report involved a huge reach back into the areas of capacity building and collaboration.

# Conclusion

Most of the messages that filtered through to us in the course of this report involved a huge reach back into the areas of capacity building and collaboration. There is an admission that – for the profession to be future-ready and contribute meaningfully to socio-economic development on the continent – PAOs (national and international) must improve on what they are doing currently. PAOs in Africa should agree to work together even more closely to set and drive the agenda for change and transformation, bringing all other stakeholders (governments/public sector, HEIs, standards-setters, international development agencies, etc) along.

The table below summarises some key calls to action for each stakeholder that has a role to play in shaping the accountancy landscape in Africa.

**Table 3: Calls to action for the accountancy profession, its membership, and their stakeholders**

Stakeholders	Capacity building	Partnerships	Influencing for socio-economic development	Future-readiness of the profession
Professional Accountancy Organisations (PAOs)	<ol style="list-style-type: none"> <li>1. Reinvent the approach to CPE to be more effective and prioritise upskilling members on core skill gaps identified.</li> <li>2. Expand research efforts to understand socio-economic challenges across Africa and participate effectively in economic growth agendas.</li> <li>3. Increase member engagement beyond examinations and CPE to enhance awareness, knowledge and participation in/ absorption of PAO activities, especially those influencing policy and socio-economic development.</li> </ol>	<ol style="list-style-type: none"> <li>1. Clear roles need to be defined and impartial regulation enforced to separate PAO functions from the regulator.</li> <li>2. Operationalise MOUs to guide collaboration within the profession and be a force of change.</li> <li>3. Engage the various governments, continental and regional bodies – eg AU, ECOWAS – to improve collaboration across the region.</li> </ol>	<ol style="list-style-type: none"> <li>1. Deepen the focus on professionalising public sector accountancy through targeted capacity-building initiatives that suit emergent needs in the sector.</li> <li>2. Push the agenda to implement IPSAS and other applicable standards on the continent, as well as the harmonisation of national and international accounting standards.</li> <li>3. Strengthen strategic alliances/partnerships with reputable, politically neutral CSOs and policy think tanks with an interest in PFM.</li> </ol>	<ol style="list-style-type: none"> <li>1. Review curriculum and examinations to facilitate learning that will equip professionals for the future.</li> <li>2. Adopt and implement emerging technologies in delivering member and guest services.</li> </ol>
Higher Educational Institutions (HEIs)	<ol style="list-style-type: none"> <li>1. Review learning delivery methods/approaches to increase students' exposure to practical work/life experiences – enhancing their preparation for assimilation into problem-solving environments.</li> </ol>	<ol style="list-style-type: none"> <li>1. Train accountancy and finance students to acquire skills that will encourage continual development, as well as preparing them to integrate into the workplace, through leadership, communication, teamwork</li> <li>2. Increase collaboration with relevant stakeholders/partners – practice firms, PAOs, etc – to periodically review and forecast the skills/talent needs of the job market and inform syllabus changes/updates.</li> </ol>		

Stakeholders	Capacity building	Partnerships	Influencing for socio-economic development	Future-readiness of the profession
Regulators and Standard setters	<ol style="list-style-type: none"> <li>1. Develop French interpretations for international standards to ease implementation in Francophone countries.</li> </ol>	<ol style="list-style-type: none"> <li>1. Regulators must define clear roles and enforce impartial regulation to the adherence of rules by PAOs.</li> <li>2. Engage the various governments and continental and regional bodies – eg AU, ECOWAS – to smoothen collaboration across the region.</li> </ol>	<ol style="list-style-type: none"> <li>1. Assume a more proactive role in driving the harmonisation of national and international standards to ensure Africa's socio-economic development goals captured in AU Agenda 2063 are not jeopardised.</li> </ol>	<ol style="list-style-type: none"> <li>1. Regulators must work closely with PAOs to regularly review minimum professional licensing (initial and continuing) requirements to ensure they remain fit-for-purpose.</li> </ol>
Specialist Groups and Chambers of Commerce/ Employers	<ol style="list-style-type: none"> <li>1. Establish formalised platforms and channels to facilitate knowledge and experience sharing with and feedback from educational providers and learning institutions (including PAOs) to strengthen the faculties available to such organisations/institutions – improving the education/training provided to accountancy students, enabling them to make a greater impact when they leave school.</li> </ol>			
Practice firms	<ol style="list-style-type: none"> <li>1. Collaborate with HEIs and PAOs, proactively influencing and contributing to curriculum and content development, including examination and grading.</li> <li>2. Put faculty at the disposal of HEIs and other learning providers.</li> <li>3. Take a deliberate approach to the implementation of in-house internship programmes to ensure that accountancy and finance students receive optimum benefits.</li> <li>4. Provide support to build the capacity of accountancy professionals working in the SME sector.</li> <li>5. Assist with the implementation of IFRS for SMEs.</li> </ol>		<ol style="list-style-type: none"> <li>1. Use platforms or channels (eg directly or through PAOs or standards-setters) to be involved in influencing public socio-development policy.</li> <li>2. Put professional expertise at the disposal of various stakeholders (eg governments/ public sector bodies, and international development agencies) that have a role in and resources to support socio-economic development.</li> </ol>	<ol style="list-style-type: none"> <li>1. Strengthen internal research and thought leadership units to undertake regular research that has an Africa-wide focus.</li> <li>2. Use research findings to inform and enrich collaboration with accountancy education institutions/ learning providers and other stakeholders.</li> <li>3. Develop/enhance relevant technology-based service offerings to provide training opportunities for accountancy professionals.</li> </ol>
International Development Agencies	<ol style="list-style-type: none"> <li>1. Establish MOUs with PAOs to support capacity building initiatives, especially targeted at strengthening public sector accountancy capacity.</li> <li>2. Consider the important role of an effective PAO in economic development and growth when collaborating with countries on their institutional development needs.</li> </ol>		<ol style="list-style-type: none"> <li>1. Encourage governments to include robust accountancy capacity building projects into their applications for funding for PFM reforms. These projects should prepare public sector accountancy professionals for the future – and specify institutional arrangements that identify all relevant stakeholders, including PAOs, HEIs, and standards-setters.</li> <li>2. Increase engagement with PAOs, supporting them to interact proactively with government, leading to a permanent seat at the PFM policy table</li> </ol>	

Stakeholders	Capacity building	Partnerships	Influencing for socio-economic development	Future-readiness of the profession
Governments and public sector institutions/ stakeholders	<ol style="list-style-type: none"> <li>1. Establish a broad regional baseline of public sector accountancy capacity, documenting available qualifications (professional, technical and/or academic) and highlighting capacity gaps.</li> <li>2. Develop and implement a strategy to address the capacity gaps.</li> </ol>	<ol style="list-style-type: none"> <li>1. Collaborate with appropriate partners/ stakeholders to establish minimum indices/indicators of public sector professionalisation. Identify potential partners to support implementation of programmes to deepen public sector professionalisation, eg the African Professionalisation Initiative.</li> </ol>	<ol style="list-style-type: none"> <li>1. Make training in responsible governance and ethics a mandatory CPE requirement for accountancy professionals at all levels in the public sector.</li> <li>2. Make such training and evidenced ethical behaviour key inputs for performance appraisals and recognition in the public sector.</li> </ol>	

Africa should agree to work together even more closely to set and drive the agenda for change and transformation, bringing all other stakeholders along.

# Closing statement/ our contacts



Jamil Ampomah, Africa Director, ACCA

ACCA has an Africa membership of about 19,000 members and 60,000 future members across 13 countries<sup>35</sup>. We support their development through a growing operational network currently of 335 approved employers and 140 learning providers, including HEIs.

ACCA continue to collaborate with PAFA and regional and country level partners – including governments, regulators and PAOs regional collaborators, development partner, public institutions and PAOs – across the continent to enhance institutional capacity as well as advance the development future-fit accountancy professionals in Africa.

We hope this joint report will inspire follow up stakeholder community engagements that will see PAOs and professionals strategically position themselves and engage with stakeholder groups. The purpose is to co-create customised policy actions to enable sustainable institutions and quality accounting and finance professionals. It is also our hope that these community engagements continue to be inclusive as we develop strategies to address the needs of every stakeholder within our finance ecosystem.

Special thanks to PAFA with whom we share a common goal to collaborate toward advancing the accountancy profession in Africa, to PwC for their professionalism, expertise, and above all their commitment to delivering this report. To the project directors Jane Ohadike, ACCA's Regional Head of Policy for Africa, and Zarif Ludin, ACCA Head of Market Partnerships, for their tenacity and management of the process. And to the Africa Markets leadership team, the process owners, and publications teams for facilitating aspects of the project and their country's perspectives to ensure our report is accurately represented. This report will also serve our market leaders in their market operations, and as they continue policy development conversations with their national communities in the private and public sector.

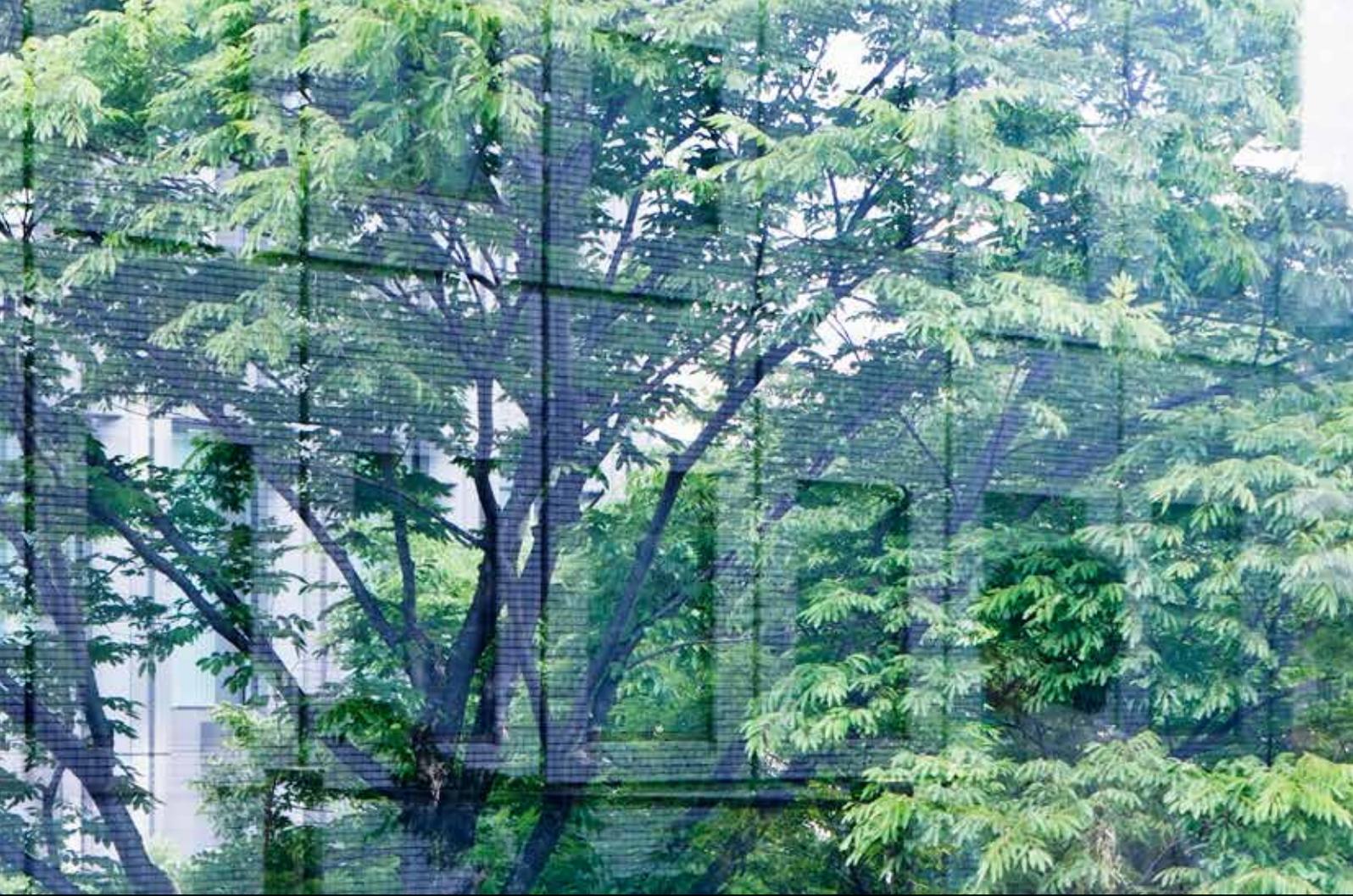
I look forward to engaging further on the report to support stakeholders through their capacity development journeys.

We'd like to hear from you, please send your comment to the SOP Africa project team:

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[zarif.ludin@accaglobal.com](mailto:zarif.ludin@accaglobal.com)

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<sup>35</sup> ACCA Africa membership, employer and learning provider records, March 2022



The purpose is to co-create customised policy actions to enable sustainable institutions and quality accounting and finance professionals.



# Appendix 1 – Africa’s accountancy landscape in data

## PAFA membership/PAO footprint across Africa<sup>36</sup>

The table below highlights national PAOs and defines whether they are member organisations of PAFA and/or IFAC. Survey responses were received from 35 of 55 countries across the continent.

#	Country name	Surveyed	PAO Acronym	Professional Accountancy Organisation (PAO)	PAFA Membership	IFAC Membership
1	Algeria	Y	CN-ONEC, Algeria	Conseil National de l’ordre National des Experts Comptables Algerie	√	x
			CNCC, Alegria		x	x
			ONCAA, Algeria		x	x
2	Angola	Y	OCPCA	Ordem dos Contabilistas e Peritos Contabilistas de Angola	√	x
3	Benin	N	OECCA, Benin	Ordre Des Experts Comptables et Comptables Agréés du Bénin	√	√
4	Botswana	Y	BICA	Botswana Institute of Chartered Accountants	√	√
5	Burkina Faso	N	ONECCA, Burkina Faso	Ordre National des Experts Comptables et Comptables Agrée de Burkina Faso	√	√
6	Burundi	N	OPC, Burundi	Ordre des Professionnels Comptables du Burundi	√	x
7	Cameroon	Y	ONEC, Cameroun	Ordre National des Experts Comptables du Cameroun	√	√
8	Cape Verde	N	OPACC	Ordem profissional de auditores e Contabilistas	√	x
9	Central African Republic	N	ONEC, Central African Republic	Ordre National des Experts Comptables Centrafricains	x	x
10	Tchad	Y	ONPCT	Ordre National des Professionnels Comptables du Tchad	√	x
11	Comoros	N	ONEC, Comoros	Office National des Examens et Concours	x	x
12	Congo, Republic	N	ONEC, Republic of Congo	Ordre National des Experts Comptables de la République du Congo	√	x
13	Djibouti	Y	CNCC, Djibouti	Compagnie Nationale des Commissaires aux Comptes de Djibouti	√	x
14	DR Congo	Y	ONEC, DR Congo	Ordre National des Experts Comptables de la République Démocratique du Congo	√	x

<sup>36</sup> PAFA PAO footprint record, November 2021

#	Country name	Surveyed	PAO Acronym	Professional Accountancy Organisation (PAO)	PAFA Membership	IFAC Membership
15	Eritrea	N	Eritrea		x	x
16	Egypt	N	ESAA	Egyptian Society of Accountants and Auditors	x	x
17	Ivory Coast	Y	OEC, Ivory Coast	Ordre Des Experts-Comptables et des Comptables Agréés Cote D'Ivoire	√	√
18	Ethiopia	Y	AABE	Accounting and Auditing Board of Ethiopia	√	x
19	Gabon	N	ONEC, Gabon	Ordre National des Experts comptables du Gabon	√	x
20	Gambia	Y	GICA	Gambia Institute of Chartered Accountants	√	x
21	Ghana	Y	ICAG	The Institute of Chartered Accountants of Ghana	√	√
22	Guinea	N	OEECA, Guinea	Ordre des Experts Comptables et Comptables Agréés de Guinée	√	x
23	Guinea-Bissau	N	ORNATOC, Guinea-Bissau	Ordem Nacional dos Técnicos Oficiais de Contas da Guinée-Bissau	√	x
24	Guinea, Equatorial	N	CECGA, Guinea-Equatorial		√	x
25	Kenya	Y	ICPAK	Institute of Certified Public Accountants of Kenya	√	√
26	Lesotho	Y	LIA	Lesotho Institute of Accountants	√	√
27	Liberia	Y	LICPA	Liberian Institute of Certified Public Accountants	√	√
28	Libya	N	LIA	Libyan Institute of Accountants	√	x
29	Madagascar	N	OECFM	Ordre des Expert-Comptables et Financiers de Madagascar	√	√
30	Malawi	Y	ICAM	Institute of Chartered Accountants in Malawi	√	√
31	Mali	Y	ONECCA, Mali	Ordre National Des Experts-Comptables et Comptables Agréés du Mali	√	x
32	Mauritania	N	ONECRIM	Ordre National des Experts-Comptables de la République Islamique de Mauritanie	x	x
33	Mauritius	Y	MIPA	Mauritius Institute of Professional Accountants	√	√
34	Morocco	N	OEC, Morocco	Ordre des Experts Comptables du Royaume du Maroc	√	√
		N	CNC, Morocco	Conseil National de la Comptabilité Morocco	x	x
35	Mozambique	Y	OCAM	Ordem dos Contabilistas e Auditores de Moçambique	√	√
36	Namibia	N	ICAN	Institute of Chartered Accountants of Namibia	√	√
			NIPA	Namibia Institute of Professional Accountants	√	x
37	Niger	N	ONECCA, Niger	Ordre National des Experts Comptables et des Comptables Agréés du Niger	√	x
38	Nigeria	Y	ICAN	Institute of Chartered Accountants of Nigeria	√	√

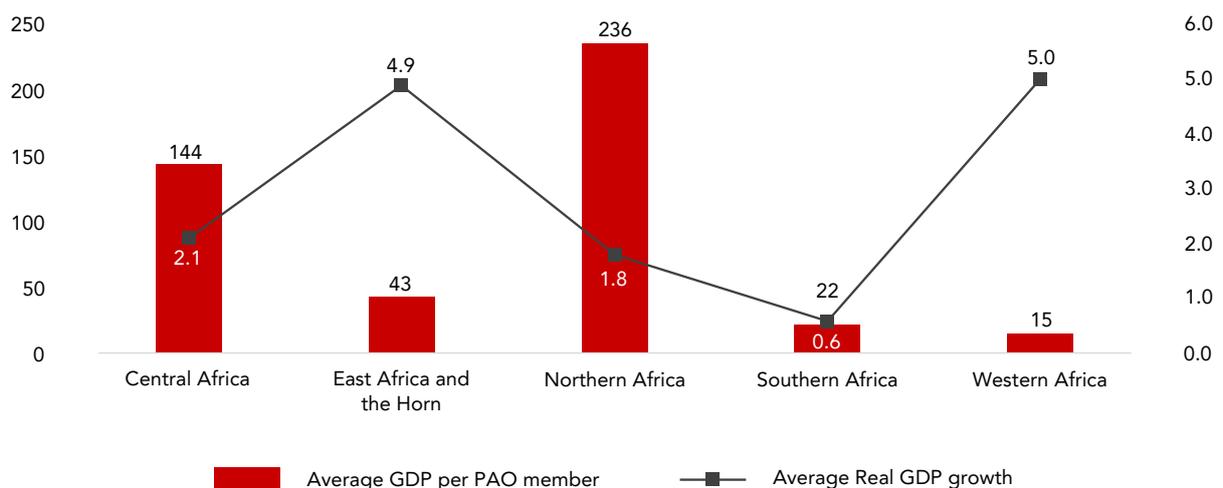
#	Country name	Surveyed	PAO Acronym	Professional Accountancy Organisation (PAO)	PAFA Membership	IFAC Membership
			ANAN	Association of National Accountants of Nigeria	√	√
39	Rwanda	Y	iCPAR	Institute of Certified Public Accountants Rwanda	√	√
40		N	OTOCA, São Tomé and Príncipe	Order of Account Technicians and Auditors of São Tomé and Príncipe	×	×
41	ONECCA, Senegal	Y	ONECCA, Senegal	Ordre National des Experts Comptables et Comptables Agréés du Sénégal	√	√
42	Seychelles	N	Seychelles		×	×
43	Sierra Leone	Y	ICASL	Institute of Chartered Accountants Sierra Leone	√	√
44	Somalia	Y	SICPA	Somali Institute of Certified Public Accountants	×	×
45	South Africa	Y	SAICA	The South African Institute of Chartered Accountants	√	√
			SAIPA	The South African Institute of Professional Accountants	√	√
			IACSA	Institute of Accounting and Commerce of South Africa	√	×
			SAIBA	Southern African Institute for Business Accountants	√	×
			SAIGA	Southern African Institute of Government Auditors	√	×
46	Sudan	Y	AAPOC	The Accountancy and Audit Professional Organisation Council Sudan	√	×
47	South Sudan	Y	ICPASS		×	×
48	Eswatini	N	EIA	Eswatini Institute of Accountants	√	√
49	Tanzania	Y	NBAA	National Board of Accountants and Auditors Tanzania	√	√
50	Togo	Y	ONECCA, Togo	Ordre National des Experts Comptables et des Comptables Agréés du Togo	√	√
51	Tunisia	Y	OECT	Ordre des Experts Comptables de Tunisie	√	√
			CCT	Conseil de la Compagnie des Comptables de Tunisie	√	×
52	Uganda	Y	ICPAU	Institute of Certified Public Accountants Uganda	√	√
53	Western Sahara				×	×
54	Zambia	Y	ZICA	Zambia Institute of Chartered Accountants	√	√
55	Zimbabwe	Y	ICAZ	Institute of Chartered Accountants Zimbabwe	√	√
			ICPAZ	Institute of Certified Public Accountants Zimbabwe	√	×
			CGAIZ	Chartered Governance and Accountancy Institute in Zimbabwe	√	√
			IAC, Zimbabwe	Institute of Administration and Commerce of Zimbabwe	√	×
			SAAA	Southern African Association of Accountants	√	×

## Concentration of professional accountants as a driver of economic growth<sup>37</sup>

Accounting plays an essential role in economic development as high-quality corporate reporting is key to: improving transparency; facilitating the mobilisation of domestic and international investment; creating a sound investment environment; and fostering investor confidence toward promoting financial stability. The table below, which outlines the Africa accountancy and finance landscape in relation to demographic and economic metrics, seems to support this notion. On average, the higher the concentration of professional accountants – whether measured by the population or the GDP per accountant – shows a positive correlation with the growth in the GDP. This is consistent with findings by previous IFAC reports. The illustration below suggests two ways of measuring the concentration of professional accountants; Population per professional accountant, and GDP per professional accountant – note that in the chart, the lower the value of the measures, the higher the concentration of accountants. However, this is not the case for Southern Africa which has a relatively higher concentration of professional accountants, but surprisingly the lowest GDP growth. This could be attributed to other macroeconomic factors such as inflation, (which is the highest in the region), and the impact of the Covid-19 lockdowns which was indicated<sup>38</sup> as more severe in Southern Africa. Details of the demographics and economic measures averaged above are shown in the following tables<sup>39</sup>.

World Bank, 2020	Av. Population per PAO Member	Av. Real GDP growth	Av. GDP per PAO Member
Central Africa	86,050	2.1	144
East Africa and the Horn	48,474	4.9	43
Northern Africa	121,980	1.8	236
Southern Africa	10,705	0.6	22
Western Africa	15,699	5.0	15

### GDP PER PAO MEMBERS Vs GDP GROWTH

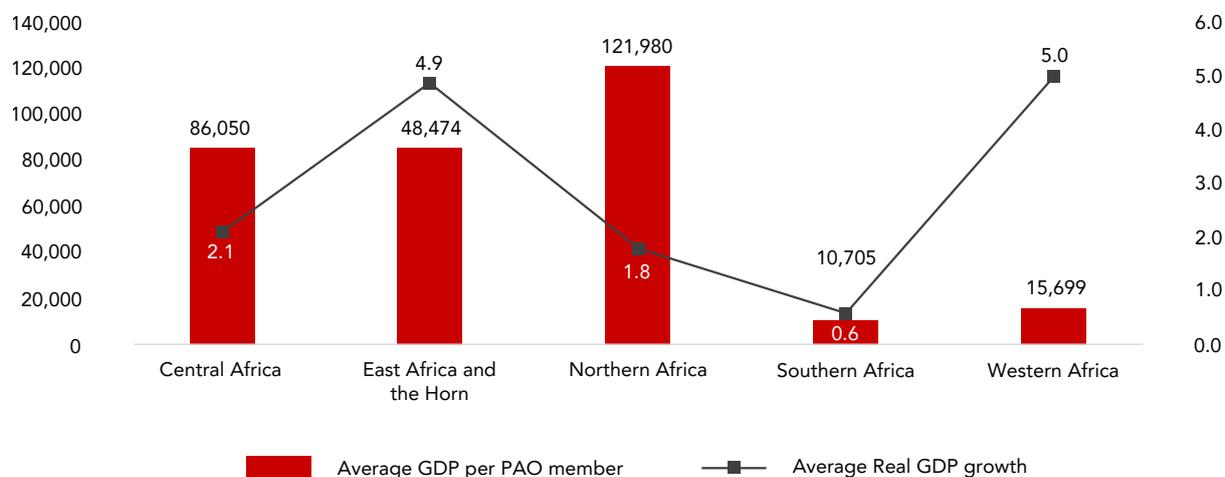


37 World Development Indicators | DataBank (worldbank.org)

38 COVID Live - Coronavirus Statistics - Worldometer (worldometers.info)

39 N/A indicates where data isn't available

## POPULATION PER PAO MEMBERS Vs GDP GROWTH



Details of the demographics and economic measures averaged above are in the tables below:

## Central Africa

Central Africa has one of the lowest representations of professional accountants in Africa, with an estimated total number of 1,747. Participating countries in this region fall between the 124th and 169th position on the Corruption Perception Index (CPI) suggesting very high perceptions of corruption within the region. Besides Angola, all the participating countries are members of PAFA, with only Cameroon being a member of IFAC. None of the international standards have been fully adopted in this region except the International Standards on Auditing (ISA), which have been adopted by Cameroon.

Country	OECD Corp. Gov. code adopted	PAFA Membership	IFAC Membership	ISA <sup>40</sup> Adoption	COEPA <sup>41</sup> Adoption	IPSAS Adoption	IES <sup>42</sup> Adoption	QAS <sup>43</sup> Adoption	I & D <sup>44</sup> Adoption	IFRS Adoption
Angola	No	yes	no	N/A	N/A	partially	N/A	N/A	N/A	no
Cameroon	N/A	yes	yes	yes	partially	no	partially	partially	partially	partially
Congo	Partially	Yes	no	no	no	no	no	no	no	no
DR Congo	N/A	yes	no	no	no	no	no	no	no	no
Gabon	N/A	yes	No	no	no	no	no	no	no	no

Source: **Global Impact Map** | IFAC, October 2021

Source: **World Bank, 2020, World Development Indicators** | DataBank (worldbank.org)

40 International Standards on Auditing

41 Code of Ethics for Professional Accountants

42 International Education Standards

43 Quality Assurance Standards

44 Investigation & Discipline

Country	Pop. (m)	Pop. growth (%)	Real GDP (USD (bn))	Real GDP growth	GDP per capita	Annual Inflation	Gross Capital Formation (%)	GDP Per PAO Member (m)	CPI <sup>45</sup> position	No. of PAO members	Population Per PAO	National Professional Bodies
Angola	33	3.2	104	(0.9)	3,168	-	25	119	136 (up)	874	37,604	Ordem dos Contabilistas e Peritos Contabilistas de Angola (OCPCA)
Cameroon	27	2.6	38	3.9	1,420	2.44	18	144	144 (up)	262	101,320	Ordre National des Experts Comptables et Comptables Agréés (ONECCA)
Congo	6	2.5	9	(0.6)	1,609	1.82	28	85	162 (up)	105	52,553	Ordre National des Experts Comptables de la République du Congo (ONEC-C)
DR Congo	90	3.1	45	4.4	505	-	-	101	169 (down)	450	199,025	Ordre National des Experts Comptables de la République Démocratique du Congo (ONEC DRC)
Gabon	2	2.4	15	3.8	6,818	1.18	18	271	124 (up)	56	39,745	Ordre National des Experts Comptables de Gabon (ONEC Gabon)

### Eastern Africa and the Horn

Ten countries in this region participated in the study. The region has fairly low accountant representation – except for Kenya, which has the highest number of professional accountants. Participating countries are predominantly small countries with populations below 50 million inhabitants, growing at 4.9% on average. Inflation in the region is generally within single digits. Participating countries rank between the 49th and 169th position on the CPI giving the indication of varied opinions of corruption within the region. Most of the participating countries have adopted the international standards and are members of both IFAC and PAFA.

Country	OECD Corp. Gov. code adopted	PAFA Membership	IFAC Membership	ISA Adoption	COEPA Adoption	IPSAS Adoption	IES Adoption	QAS Adoption	I & D Adoption	IFRS Adoption	GDP/ Accountant (USDmn)
Burundi	no	yes	in progress	no	no	no	no	no	no	no	29.52
Djibouti	no	yes	no	no	no	no	no	no	no	no	194.12
Ethiopia	N/A	N/A	N/A	yes	N/A	yes	yes	yes	yes	yes	-
Kenya	N/A	yes	yes	yes	yes	yes	yes	yes	yes	yes	7.15
Madagascar	N/A	yes	yes	yes	yes	yes	yes	yes	yes	no	89.24
Mauritius	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	4.41
Rwanda	partially	yes	yes	yes	yes	partially	partially	partially	yes	yes	28.69
Tanzania	N/A	yes	yes	yes	yes	yes	yes	yes	partially	yes	19.93
Uganda	yes	yes	yes	yes	yes	partially	yes	yes	yes	yes	13.67
Zambia	yes	yes	yes	yes	yes	partially	yes	yes	yes	yes	12.74

Source: **Global Impact Map** | IFAC, October 2021

Source: **World Bank, 2020, World Development Indicators** | DataBank (worldbank.org)

Country	Pop. (m)	Pop. growth (%)	Real GDP (USD bn)	Real GDP growth	GDP per capita	Annual Inflation	Gross Capital Formation (%)	GDP Per PAO Member (m)	CPI position	No. of PAO members <sup>46</sup>	Population Per PAO	National Professional Bodies / Other Intl. Qualifications
Burundi	11.5	3.1	3.1	1.8	271	7.32	-	31	169 (=)	105	113,246	Ordre des Professionnels Comptables du Burundi (OPC)
Djibouti	0.974	1.4	3.3	0.5	3,247	1.78	5	189	128 (up)	17	58,118	Compagnie Nationale des Commissaires aux Comptes de Djibouti (CNCC-D)
Ethiopia	112	2.5	92.7	9.0	827	-	33	-	87 (up)	-	-	
Kenya	52.5	2.3	95.4	5.4	1,560	5.40	20	9	128 (down)	9,009	5,969	Institute of Certified Public Accountants of Kenya (ICPAK)
Madagascar	26.9	2.7	14.1	4.8	442	4.20	18	77	147 (up)	158	175,260	Ordre des Expert-Comptables et Financiers de Madagascar (OECFM)
Mauritius	1.3	0.1	14.1	3.0	9,058	2.58	25	4	49 (up)	3,195	396	Mauritius Institute of Professional Accountants (MIPA)
Rwanda	12.6	2.5	10.1	9.4	834	9.85	14	31	52 (down)	352	36,796	Institute of Certified Public Accountants Rwanda (ICPAR)
Tanzania	58	3.0	60.8	7.0	1,030	3.29	26	20	87 (up)	3,050	19,585	National Board of Accountants and Auditors Tanzania (NBAA)
Uganda	44.2	3.0	36.4	6.7	891	3.79	21	15	144 (=)	2,663	17,176	Institute of Certified Public Accountants Uganda (ICPAU)
Zambia	17.8	2.9	24.1	1.4	1,274	15.73	21	12	117 (=)	1,891	9,722	Zambia Institute of Chartered Accountants (ZICA)

46 PAO declared membership numbers to PAFA for purposes of the annual subscription calculation

## Northern Africa

Six countries in this region participated in the study. The region has one of the lowest numbers of professional accountants in Africa. Participating countries are generally small with an average growth rate of 1.8%. Inflation is typically within single digits – Sudan being an outlier with an extremely high rate of inflation (150%). All of the participating countries are members of PAFA while only two are members of IFAC. The adoption rates of international standards in the region are low.

Country	Pop. (m)	Pop. growth (%)	Real GDP (USD) (bn)	Real GDP growth	GDP per capita	Annual Inflation	Gross Capital Formation (%)	GDP Per PAO Member (m)	CPI position	No. of PAO members <sup>47</sup>	Population Per PAO	National Professional Bodies
Algeria	44	1.84	168	0.8	3,834	2.42	17	559	117 (down)	301	145,685	Conseil National de l'ordre National des Experts Comptables (CN-ONEC) - ALGERIE
Chad	16	2.96	10	3.0	635	4.46	13	174	164 (down)	60	273,764	Ordre des Professionnels Comptables du Tchad (OPCT)
Libya	7	1.38	28	9.9	4,047	-	45	5,561	172 (=)	5	1,374,257	Libyan Institute of Accountants (LIA)
Morocco	37	1.20	106	2.2	2.4	0.71	-	153	87 (down)	693	53,262	Ordre des Experts Comptables du Royaume du Maroc (OEC)
Sudan	44	2.39	49	(2.5)	(1.0)	150.32	17	9,890	164 (up)	5	8,769,854	The Accountancy and Audit Professional Organisation Council of Sudan (AAPOC) Sudan Council of Certified Accountants (SCCA),
Tunisia	12	1.05	45	1.0	1.9	5.63	21	58	70 (=)	777	15,211	Ordre des Experts Comptables de Tunisie (OECT) Compagnie des Comptables de Tunisie (CCT)

Country	OECD Corp. Gov. code adopted	PAFA Membership	IFAC Membership	ISA Adoption	COEPA Adoption	IPSAS Adoption	IES Adoption	QAS Adoption	I & D Adoption	IFRS Adoption	GDP/ Accountant (USDmn)
Algeria	yes	yes	no	N/A	N/A	N/A	N/A	N/A	N/A	partially	561.46
Chad	no	yes	no	N/A	N/A	N/A	N/A	N/A	N/A	N/A	181.67
Libya	yes	yes	no	no	no	no	no	no	no	no	-
Morocco	partially	yes	yes	partially	yes	partially	partially	yes	yes	partially	171.00
Sudan	N/A	yes	N/A	no	no	no	no	no	no	no	-
Tunisia	yes	yes	yes	partially	partially	no	partially	yes	partially	partially	52.30

Source: **Global Impact Map** | IFAC, October 2021

Source: **World Bank, 2020, World Development Indicators** | DataBank (worldbank.org)

47 PAO declared membership numbers to PAFA for purposes of the annual subscription calculation

## Southern Africa

Southern Africa has the highest number of professional accountants in Africa – largely contributed by the professionals in South Africa. Comparatively, the region has a relatively higher concentration of accountants. All participating countries have low/single digit inflation rates except Zimbabwe. On the Corruption Perception Index, participating countries fall between the 45th and 157th position, giving mixed perceptions of the corruption prevalent in Southern Africa. All participating countries belong to both IFAC and PAFA and have largely adopted most international standards.

Country	OECD Corp. Gov. code adopted	PAFA Member	IFAC Member	ISA Adoption	COEPA Adoption	IPSAS Adoption	IES Adoption	QAS Adoption	I & D Adoption	IFRS Adoption	GDP/ Accountant (USDmn)
Botswana	yes	yes	yes	yes	N/A	partially	yes	yes	yes	yes	12.70
Eswatini	N/A	yes	yes	yes	yes	partially	partially	partially	yes	yes	48.39
Lesotho	partially	yes	yes	yes	yes	partially	yes	yes	yes	yes	14.81
Malawi	no	yes	yes	yes	yes	partially	yes	yes	yes	yes	3.14
Mozambique	no	yes	yes	yes	yes	no	yes	yes	yes	partially	8.39
Namibia	no	yes	yes	yes	yes	partially	partially	yes	partially	yes	14.47
South Africa	no	yes	yes	yes	partially	partially	partially	yes	partially	yes	7.58
Zimbabwe	yes	yes	yes	yes	yes	partially	partially	yes	partially	yes	8.07

Source: **Global Impact Map** | IFAC, October 2021

Source: **World Bank, 2020, World Development Indicators** | DataBank (worldbank.org)

Country	Pop. (m)	Pop. growth (%)	Real GDP (USD bn)	Real GDP growth (%)	GDP per capita	Annual Inflation	Gross Capital Formation (%)	GDP Per PAO Member (m)	CPI position	No. of PAO members	Population Per PAO	National Professional Bodies
Botswana	2	2.06	15	3.0	6,299	1.89	-	10	45 (down)	1,457	1,614	Botswana Institute of Chartered Accountants (BICA),
Eswatini	1	1.04	4	1.1	3,723	-	20	46	122 (down)	93	12,475	Swaziland Institute of Accountants (SIA)
Lesotho	2	0.80	2	1.0	983	4.98	-	13	96 (down)	162	13,224	Lesotho Institute of Accountants (LIA)
Malawi	19	2.65	8	4.5	394	8.63	-	3	110 (up)	2,420	7.905	Institute of Chartered Accountants in Malawi (ICAM)
Mozambique	31	2.89	18	2.3	575	3.14	28	15	147 (up)	1,218	25,661	Ordem dos Contabilistas e Auditores de Moçambique (OCAM)
Namibia	3	1.84	10	(1.0)	4,048	2,21	-	69	58 (down)	149	17,053	Institute of Chartered Accountants Namibia (ICAN) Namibia Institute of Professional Accountants (NIPA)
South Africa	59	1.27	336	0.2	5,659	3.22	7	7	70 (=)	46,941	1,263	South African Institute of Chartered Accountants (SAICA) - 33,058 South African Institute of Professional Accountants (SAIPA)- 10,642 Institute of Accounting and Commerce (IAC) South Africa - 525 Southern African Institute for Business Accountants (SAIBA) - 2,104 South African Institute of Government Auditors (SAIGA) - 630
Zimbabwe	15	1.47	19	(6.5)	1,307	557.20	16	8	157 (down)	2309	6,448	Institute of Chartered Accountants Zimbabwe (ICAZ) 1,263 Institute of Certified Public Accountants Zimbabwe (ICPAZ) 158 Southern African Association of Accountants (SAAA) 85 Chartered Governance and Accounting Institute in Zimbabwe (CGIZ) 674 Institute of Accounting and Commerce of Zimbabwe (IACZ) 129

## Western Africa

Western Africa has the greatest number of participating countries. Like the southern region, it has a relatively higher concentration of professional accountants<sup>48</sup>. Inflation within the region is largely in single digits, although double digits are also prominent. All participating countries are members of PAFA with a little over half being members of IFAC. Corruption perceptions are varied across the region and most international standards have not been fully adopted.

Country	OECD Corp. Gov. code adopted	PAFA Membership	IFAC Membership	ISA Adoption	COEPA Adoption	IPSAS Adoption	IES Adoption	QAS Adoption	I & D Adoption	IFRS Adoption	GDP/ Accountant (USDmn)
Benin	N/A	yes	yes	N/A	N/A	no	N/A	N/A	N/A	partially	116.26
Burkina Faso	yes	yes	yes	N/A	N/A	yes	N/A	N/A	N/A	in progress	178.41
Cape Verde	N/A	yes	no	no	no	no	no	no	no	partially	7.28
Gambia	yes	yes	no	no	no	no	no	no	no	partially	31.03
Ghana	no	yes	yes	yes	yes	partially	yes	yes	yes	yes	12.28
Guinea	partially	yes	no	no	no	no	no	no	no	no	279.59
Guinea Bissau	N/A	yes	no	no	no	no	no	no	no	no	31.82
cote d'ivoire	yes	yes	no	no	no	no	no	no	no	no	450.77
Liberia	N/A	yes	yes	yes	yes	partially	partially	yes	yes	partially	36.36
Mali	N/A	yes	no	no	no	no	no	no	no	no	243.66
Niger	N/A	yes	no	no	no	no	no	no	no	no	586.36
Nigeria	yes	yes	yes	yes	partially	yes	partially	yes	partially	yes	11.28
Senegal	N/A	yes	yes	yes	partially	no	partially	partially	partially	partially	151.28
Sierra Leone	N/A	yes	yes	yes	partially	partially	partially	partially	partially	yes	26.25
Togo	N/A	yes	yes	yes	partially	no	partially	partially	partially	partially	90.16

Source: **Global Impact Map** | IFAC, October 2021

Source: **World Bank, 2020, World Development Indicators** | DataBank (worldbank.org)

<sup>48</sup> Excluding outliers with very low numbers of professional accountants relative to the country's population

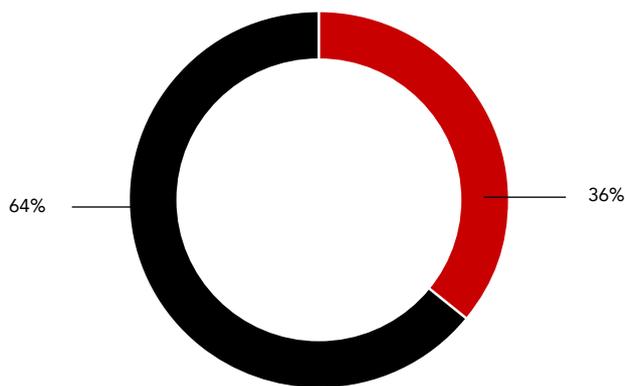
Country	Pop. (m)	Pop. growth (%)	Real GDP (USD bn)	Real GDP growth	GDP per capita	Annual Inflation	Gross Capital Formation (%)	GDP Per PAO Member (m)	CPI position	No. of PAO members	Population Per PAO	National Professional Bodies
Benin	12	2.69	15	6.9	1,215	3.02	28	120	78 (up)	123	98,563	Ordre Des Experts Comptables et Comptables Agrés du Bénin (OECCA)
Burkina Faso	21	2.82	15	5.7	732	1.88	11	174	78 (up)	88	237,537	Ordre National des Experts Comptables et Comptables Agrés de BURKINA FASO (ONECCA-BF)
Cape Verde	1	1.09	2	5.7	2,935	0.61	18	6	39 (=)	272	2,044	Ordem profissional de auditores e Contabilistas (OPACC)
Gambia	2	2.90	2	6.1	692	5.93	15	29	102 (=)	58	41,667	Gambia Institute of Chartered Accountants (GICA)
Ghana	31	2.13	63	6.5	2,019	9.89	24	12	73 (=)	5,448	5,704	Institute of Chartered Accountants of Ghana (ICAG)
Guinea	13	2.79	13	5.6	984	10.60	19	264	150 (down)	49	268,016	Ordre des Experts Comptables et Comptables Agrés de Guinée (OECCA G)
Guinea Bissau	2	2.42	1	4.5	619	-	-	28	162 (up)	44	44,727	Ordem Nacional dos Técnicos Oficiais de Contas da Guinée-Bissau (ORNATOC)
Cote d'Ivoire	26	2.54	61	6.5	2,314	2.43	22	469	105 (=)	130	202,910	Ordre Des Experts-Comptables et des Comptables Agrés Cote D'Ivoire (OECCA)
Liberia	5	2.41	3	(2.5)	616	-	20	35	136 (up)	88	57,474	Liberian Institute of Certified Public Accountants (LICPA)
Mali	20	2.97	16	5.1	782	0.44	31	223	136 (down)	71	285,223	Ordre National Des Experts-Comptables et Comptables Agrés du Mali (ONECCA)
Niger	24	3.77	13	5.9	523	-	12	575	124 (down)	22	1,100,302	Ordre National des Experts Comptables et des Comptables Agrés du Niger (ONECCA)
Nigeria	206	2.54	494	2.2	2,396	-	13	12	154 (down)	39,702	5,192	Institute of Chartered Accountants of Nigeria (ICAN) - 32,337 Association of National Accountants of Nigeria (ANAN) - 7,365
Senegal	17	2.71	23	5.3	1,365	2.55	32	146	73 (down)	156	107,333	Ordre National des Experts Comptables et Comptables Agrés du Sénégal (ONECCA)
Sierra Leone	8	2.07	5	5.4	624	13.45	24	31	115 (up)	160	49,856	Institute of Chartered Accountants Sierra Leone (ICASL)
Togo	8	2.40	5	5.3	627	1.83	-	85	128 (up)	61	135,717	Ordre National des Experts Comptables et des Comptables Agrés du Togo (OECCA)

# Appendix 2 – Survey demographics

Our report received responses of accountancy professional that are members of the PAFA. Survey responses are drawn from 48 African countries across the five regions of continent. There were 1,762 accountancy and finance professionals participating in the survey – 46% are certified solely by the ACCA, 18% certified by ACCA and other PAOs, and 36% certified by other PAOs besides the ACCA.

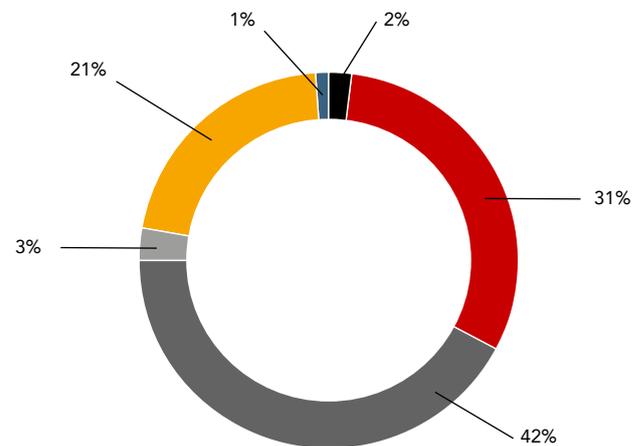
## Snapshot of response demography

GENDER OF RESPONDENTS  
TOTAL 1762



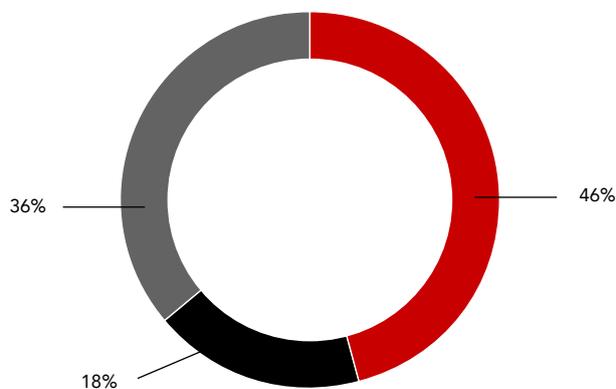
■ Male ■ Female

REGIONS OF RESPONDENTS  
TOTAL 1762



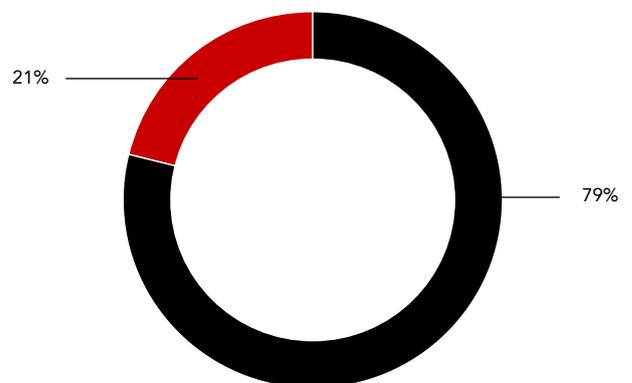
■ Region ■ Eastern Africa and The Horn  
 ■ Northern Africa ■ Central Africa  
 ■ Southern Africa ■ Western Africa

PAO AFFILIATION  
TOTAL 1762



■ ACCA Only ■ ACCA and others ■ Non-ACCA

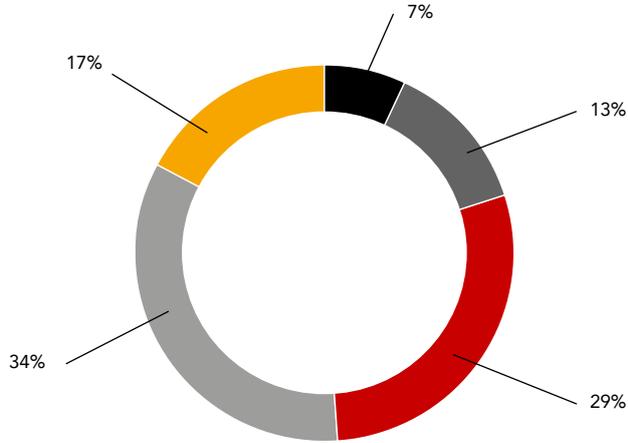
SECTOR  
TOTAL 1679



■ Private sector ■ Public sector

YEARS OF EXPERIENCE OF RESPONDENTS

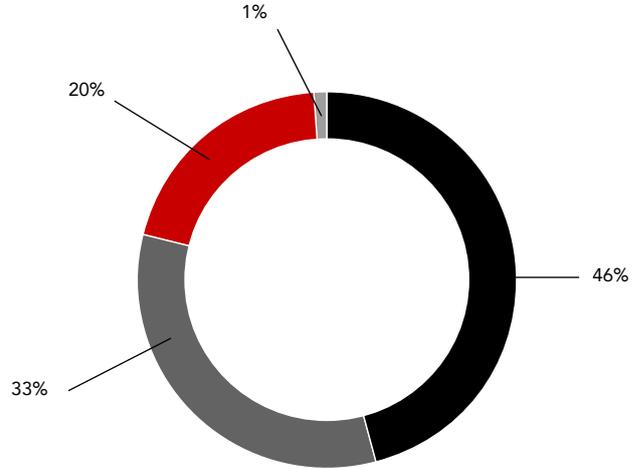
Total 1762



- No experience (0yrs)
- Basic experience (1-3yrs)
- Moderate experience (3-10yrs)
- Experienced (10-20yrs)
- Very experienced (above 20yrs)

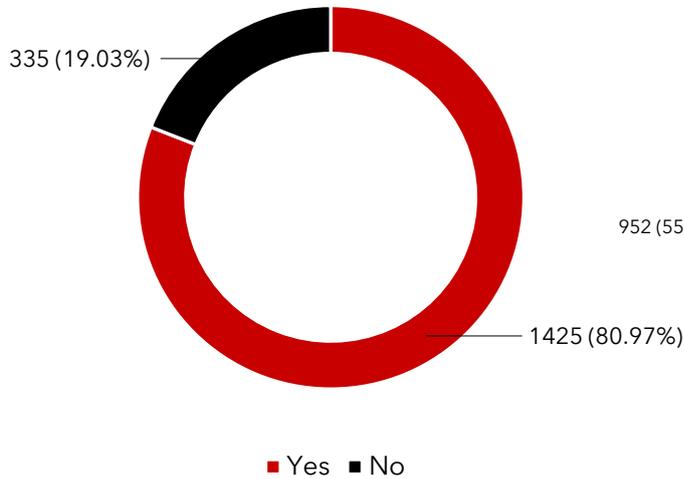
AGE OF RESPONDENTS

Total 1762



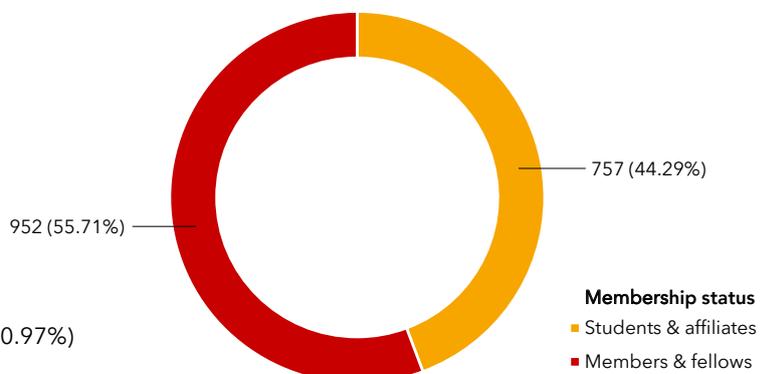
- Young professionals (15-35yrs)
- Mid-tier professionals (>35-45yrs)
- Management and executives (>45-65yrs)
- Retired professionals (above 65yrs)

ARE YOU CURRENTLY WORKING IN AN ACCOUNTING, FINANCE OR AUDIT FUNCTION?



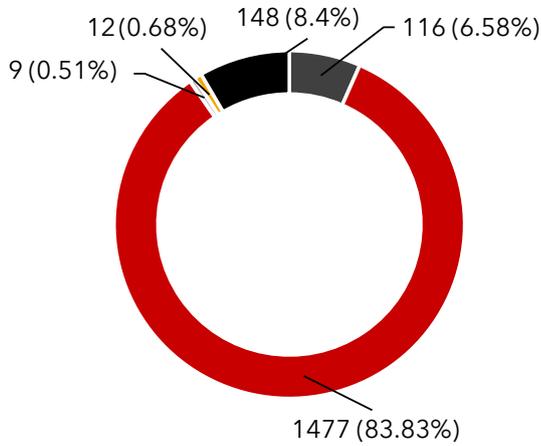
- Yes
- No

AFFILIATION / MEMBERSHIP TYPE



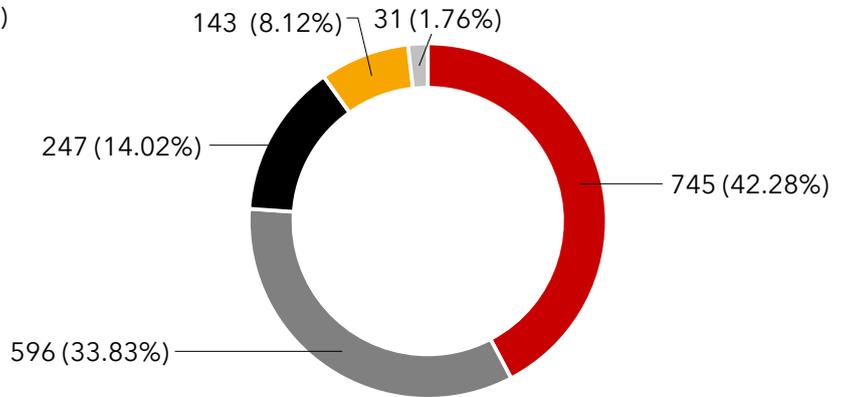
- Membership status**
- Students & affiliates
  - Members & fellows

ARE YOU CURRENTLY EMPLOYED?



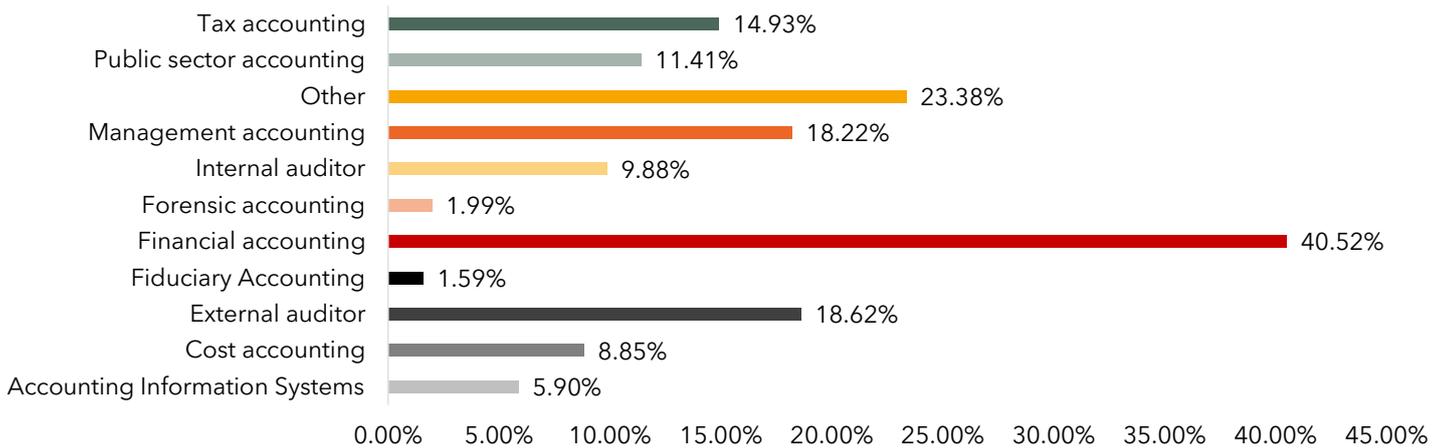
- Yes, part-time
- Yes, full-time
- Retired
- Officially retired, but consult
- No, unemployed

HIGHEST LEVEL OF QUALIFICATION

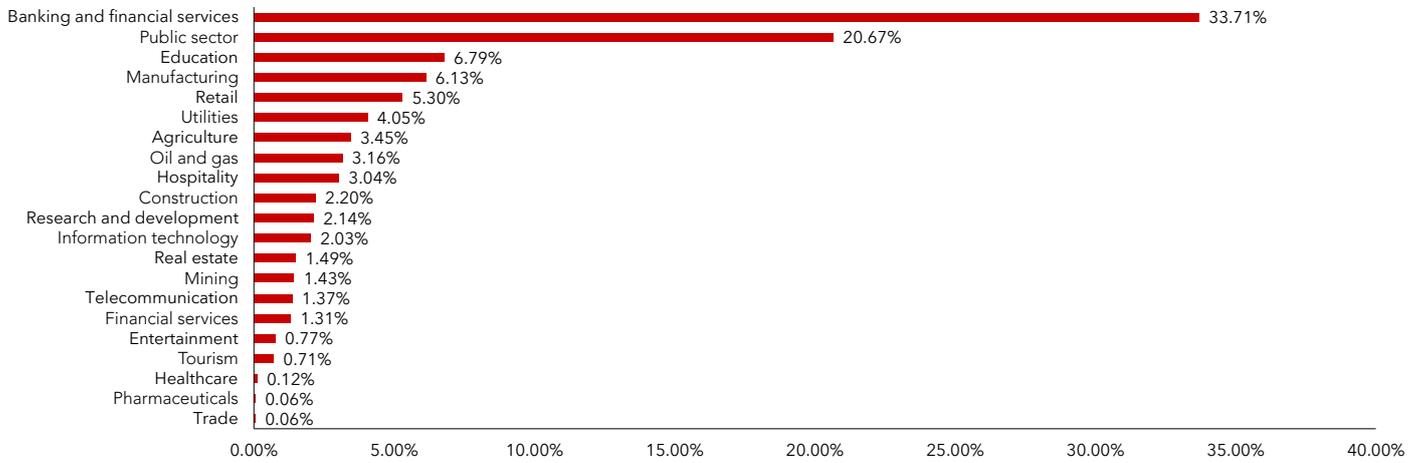


- Bachelor degree or equivalent
- Master degree or equivalent
- Diploma or equivalent
- Doctorate or equivalent
- Not Applicable

AREA OF WORK



## SELECT THE INDUSTRY WITHIN WHICH YOUR ORGANISATION OPERATES



# Appendix 3 – Our methodology

Our report combined primary research through surveys, roundtable discussions, a review of secondary materials, and the validation of findings from key experts.

We used an integrated four-phased approach to execute our review process and field data collection.

1. **Planning and initial data gathering:**

We conducted country-specific desk research to assess the state of the accountancy profession, economic and regulatory environment, education environment, opportunities, and challenges for the profession – and African-specific initiatives that accountants can contribute towards. We gathered insights from desk research and engaged stakeholders to develop the questionnaire.

2. **Field survey and data collection:**

We conducted primary research using quantitative and qualitative approaches:

a. **Quantitative field survey:** An Africa-wide online questionnaire was administered to a targeted database of professional accountants who are members of PAFA and ACCA.

b. **Qualitative roundtable discussion:**

We conducted a virtual roundtable discussion to reveal important additional insights hidden in the qualitative data. Our roundtable event was divided into seven breakout groups to gain more information on connected issues that influence the profession. Among the roundtable breakout sessions were, international agencies and donor institutions, regulators and standard setters, specialist groups (including digital technology, ESG/climate change experts, and business leaders of SMEs.

3. **Consolidation of findings:** We reviewed and analysed primary and secondary data in line with the report objectives. We analysed the data using simple statistical methods such as averages and frequency tables to generate results. And we validated information through reviews with key experts.
4. **Reporting:** We presented survey findings and key trends that are impacting and shaping the profession, and actions for stakeholders.

# Appendix 4 – Stakeholders’ roundtables participants

No	Name	Organisation	Country
1	Abdool Lakha	PwC	Mozambique
2	Abel Aig. Asein	Not available	Nigeria
3	Abu Bakarr Bangura	National Public Procurement Authority	Sierra Leone
4	Ackson Mapfundematsv	CAZ	Zimbabwe
5	Adekoya Abimbola	Dep, Finance Director, Sheraton Hotel	Nigeria
6	Admire Ndurundu	Secretary General, PAAB	Zimbabwe
7	Adri Kleinhans	SAICA	South Africa
8	Alexander Njombe FCCA	Partner & Country Leader, KPMG	Tanzania
9	Alfred Meshack	Moi University	Kenya
10	Andrew Njobvu	Deloitte	Zambia
11	Asif Chaudhry	Partner, PKF LLP	Kenya
12	Assietou Diouf	Gavi	Switzerland
13	Ayodeji Michael Obadire	Senior Lecturer & Research Manager, BAC	Botswana
14	Bruce Ntege	eNESST	Uganda
15	Casmire Igberaese	UN International Organization for Migration (IOM)	Nigeria
16	Charity Chansa	Not available	Malawi
17	Mr. Clarence Blay	Assistant Director, Fintech & Innovation, Bank of Ghana	Ghana
18	Cliff Nyandoro	ICPAK	Kenya
19	Comfort Olu. Eyitayo	Institute of Chartered Accountants Nigeria- ICAN	Nigeria
20	CPA Rogers Kinoti	Lecturer and Examinations Coordinator	Kenya
21	Daniel Jemiard Mmasomwayera Sinkula	TSSF	Zimbabwe
22	David Mathuva	Strathmore University	Kenya
23	David Owoyemi	Managing Director, Owo Consult	Nigeria
24	Diana Nanono	PwC	Uganda
25	Dr A Neethling	Attendee did not share organisation/ country information	
26	Dr Gladys Bunyasi	KCA University Technical College	Kenya
27	Dr. Cyrus S. Ssebugenyi	National Council of Higher Education (NCHE)	Uganda
28	Dr. Edward Boateng	Deputy Controller and Accountant General	Ghana
29	Dr. Egret Chanda Lengwe	Director- Research, Consultancy & Distance Education, Zambia Centre for Accountancy Studies	Zambia
30	Dr. Ibrahim Abduba Ibrahim	Oracle	Kenya
31	Dr. Iheanyi O. Anyahara	FRCN Nigeria	Nigeria
32	Dr. Theodora Aryee	Knutsford University	Ghana
33	Dzifa Cofie	CFO, Bayport	Ghana
34	Edmund Bayen	Botswana Institute of Chartered Accountants	Botswana

No	Name	Organisation	Country
35	Elijah Machape	TSSF	Zimbabwe
36	Eric Boa	The Global Fund	Switzerland
37	Evans Mulera	CapaBuil	Kenya
38	Faith Ngwenya	SAIPA	South Africa
39	Faizal Khodoruth	KPMG	Mauritius
40	Farirepi Mugozhi	Midlands State University	Zimbabwe
41	Finni Nghikevali	ICAN	Namibia
42	George Muinde Kiilu	Rankuke Investments (Pty) Limited	Kenya
43	Georgina Muchai	Public Sector Accounting Standards Board	Kenya
44	Hesham Mohamed Adel Abdelhay Mahmoud	Mayfair-CIB	Kenya
45	Hikmet Abdella	AABE	Ethiopia
46	Ibrahim Halkano PhD	University of Nairobi	Kenya
47	Icho Molebatsi	President IIA	Botswana
48	Ifeanyi Patrick	ACCA	Nigeria
49	Igsaan Adams	South Africa College of Business (SACOB)	South Africa
50	Imran Vanker	The Independent Regulatory Board for Auditors	South Africa
51	Insaf Institute	Institute for Sustainability Africa	Zimbabwe
52	Jack Sakainda	Attendee did not share organisation/ country information	
53	Jacob Mukamba	Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI)	Zimbabwe
54	John Gartchie Gatsi	Dean, University of Cape Coast Business School	Ghana
55	Joseph Ajal	Associate Certified Coach	Uganda
56	Kantha Naicker	President, SAIPA	South Africa
57	Kashif Jamal	Global Fund	Switzerland
58	Kinalongo Lefa	Attendee did not share organisation/ country information	
59	Lamin N'jai	Global Fund	Switzerland
60	Leana Van Der Merwe	SAIPA	South Africa
61	Lebogang Manganye	IRBA	South Africa
62	Lebohang Ramoholi	LIA	Lesotho
63	Liezel Du Preez	City Design People and The Independent Regulatory Board for Auditors	South Africa
64	Linda Maqoma	JKUAT, Jomo Kenyatta University of Agriculture and Technology	Kenya
65	Madaliso Masumbu	Gen Z	Zambia
66	Malaika Louis	Attendee did not share organisation/ country information	
67	Matthew Lamport	University of Mauritius	Mauritius
68	Mark Badu Aboagye	CEO, The Ghana National Chamber of Commerce & Industry	Ghana
69	Mompati Kgaimena	Managing Partner, Mamlathan and Associates	Botswana
70	Mosireletsi Mogothwane	BICA	Botswana
71	Mr. Kealeboga Molelowatladi	OAG	Botswana
72	Mr. Lawrence Amadi	Partner, KPMG	Nigeria
73	Ms. Happiness Watimanywa, ACCA	Gen Z	Tanzania
74	Mzukisi Luyanda Gidini	Metropolitan Bus Services Company (SOC) Ltd	South Africa
75	Namwaze Lubinga	Gen Z	Zambia
76	Ndeye Maguette Ndao	ONECCA	Senegal
77	Ngosa Julianna Kamboyi	Attendee did not share organisation/ country information	

No	Name	Organisation	Country
78	Nipa Temp	Attendee did not share organisation/ country information	
79	Owusu Mensah Agyei	AfDB	Ghana
80	Patrick Kabuya	World Bank	South Africa
81	Peter Kanake	Oracle	Kenya
82	Peter Kisa Baziwe	IT Consultant, Certified Blockchain Developer & Expert	Tanzania
83	Pius Maneno	NBAA	Tanzania
84	Prof. Williams Coffie	HoD, Accounting Department, University of Ghana Business School	Ghana
85	Richard Ansong FCCA	Partner, PwC	Ghana
86	Rodney Ndamba	Insaf	Zimbabwe
87	Saadiya Adam	Senior Professional Manager: Standards at the IRBA and IESBA Board Member -South Africa	South Africa
88	Sajeev Busawah	London College of Accountancy	Mauritius
89	Samson Amdissa Gudissa	Commercial Bank	Ethiopia
90	Samuel Frimpong-Manso	Assistant Auditor General (HR), Ghana Audit service	Ghana
91	Serigne Moustapha	Attendee did not share organisation/ country information	
92	Shamlesh Annah	Financial Accountant	Mauritius
93	Sydney Bvurere	PKF Chartered Accountants	Zimbabwe
94	Tamba Momoh	Deputy Auditor General	Sierra Leone
95	Thandokuhle Myoli	SAICA	South Africa
96	Tichaona Zakaria	TSSF	Zimbabwe
97	Tinashe Jerahuni	BDO	Zambia
98	Tusani Mnyandu	Mazars	South Africa
99	Uthman Mayanja	Partner, PwC Uganda	Uganda
100	Verily Molatedi	BICA	Botswana
101	Vusani Moyo	Axiom Valuation Solutions	South Africa
102	Wale Tilahun Abate	Ethio Telecom	Ethiopia
103	Webster Sigauke	TAS	Zimbabwe
104	Yacouba Traore	President, ONECCA-BF	Burkina Faso
105	Zolani Sandiso Zonyane	GIZ	South Africa

# Appendix 5 – Stakeholders’ public sector and government interviews

1. Nokwanda Mngeni – Eastern and Southern African Accountant Generals – ESAAG
2. Josephine Mukomba – AFROSAI-E
3. Meisie Nkau – AFROSAI-E
4. Fidele Kayiranga – Auditor General Rwanda
5. Gentil Nkomezi – Auditor General Rwanda
6. Idris Ahmed – Account General Nigeria
7. Tsakani Maluleke – Auditor General South Africa





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MAY 2022.

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**Think Ahead**