STATE OF ACCOUNTING IN AFRICA

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PRESIDENT – PAN AFRICAN FEDERATION OF ACCOUNTANTS

ICGFM CONFERENCE MAY 2017
OVERVIEW

• PAFA & IFAC coverage in Africa
• Accounting Frameworks
• Resources
• Accounting in Africa – Challenges and questions
PAFA

• Launched May 2011

• Work in public interest developing / leading profession

• 49 PAOs, 41 countries, ± 100 000 professionals
PAFA PAO MEMBERSHIP

- ANGLOPHONE – 29 members
- FRANCOPHONE – 16 members
- LUSOPHONE – 4 members

Challenges due to diversity of basic legal and commercial frameworks
Challenges in capacity and maturity of PAOs
FRAMEWORKS: IFRS IMPLEMENTATION IN AFRICA

FRAMEWORKS: OHADA – 10/2016
ADOPTION OF IFRS FOR LISTED COs

https://commons.wikimedia.org/w/index.php?curid=6312835
FRAMEWORKS: UNDERSTANDING ACCOUNTING IN AFRICA

• Differentiate adoption and implementation

• Depth of implementation:
  1. IFRS for listed entities
  2. IFRS for SMEs
  3. What about the rest?

Leads to the question:

What resources are available for implementation?
## ANGLOPHONE AFRICA
### Accounting Capacity on the Ground (2015)

<table>
<thead>
<tr>
<th>Country</th>
<th>Pop Mill</th>
<th>PAO Members</th>
<th>Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAURITIUS</td>
<td>1 200 000</td>
<td>2 588</td>
<td>1: 464</td>
</tr>
<tr>
<td>SOUTH AFRICA</td>
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<td>33 311</td>
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<td>BOTSWANA</td>
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<td>MALAWI</td>
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<td>1: 25 557</td>
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<tr>
<td>UGANDA</td>
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### FRANCOPHONE AFRICA

#### Accounting Capacity on the Ground

<table>
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<th>Country</th>
<th>Pop Mill</th>
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<th>Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guinea-Bissau</td>
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<tr>
<td>Senegal</td>
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<td>200</td>
<td>75 500</td>
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<td>DR Congo</td>
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<td>Togo</td>
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<td>Burkino Faso</td>
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<tr>
<td>Cote d’Ivoire</td>
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<tr>
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<td>20</td>
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<tr>
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<td>1 094 737</td>
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</tbody>
</table>
ACCOUNTING IN AFRICA – CHALLENGES

FRANCOPHONE PAO BUSINESS MODEL

- Only auditors are allowed to be members
- What about the rest?
  - What training model?
  - What code of ethics?
  - CPD?

 Madagascar Oct 2016 – PAFA / FIDEF / IFAC
Call to action to review business model
• **GOAL:** Increase development impact of public expenditure
  - Requires political will + required resources
  - Requires political financial literacy
  - Requires credible timeous financial information

“Strong PFM requires end-to-end financial literacy.”

*Dr. S Feliciantonio, Head EU Public Affairs ICEAW, 17/03/2017*
CLOSING QUESTION:

IMPROVING ACCOUNTING IN AFRICA,
WHERE DO WE START?

IFRS, IPSAS OR ACCOUNTANTS?

FRAMEWORKS OR PEOPLE?

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