

PAO's role in supporting Auditors

Patrick Kabuya, Senior Financial Management Specialist, World Bank

October 3, 2017 Vienna Institute, Vienna, Austria

Audit Training of Trainers



Road to Europe: Program of Accounting Reform and Institutional Strengthening



EU-REPARIS is funded by the European Union and is a part of WB EDIF.

Objective: To identify and share practical experiences on how PAOs can support auditors (in their respective jurisdiction) and contribute in strengthening auditing– nationally and globally



Group activity

1. How does your PAO support auditors in your country (practical examples)?
2. How does your PAO contribute in strengthening auditing

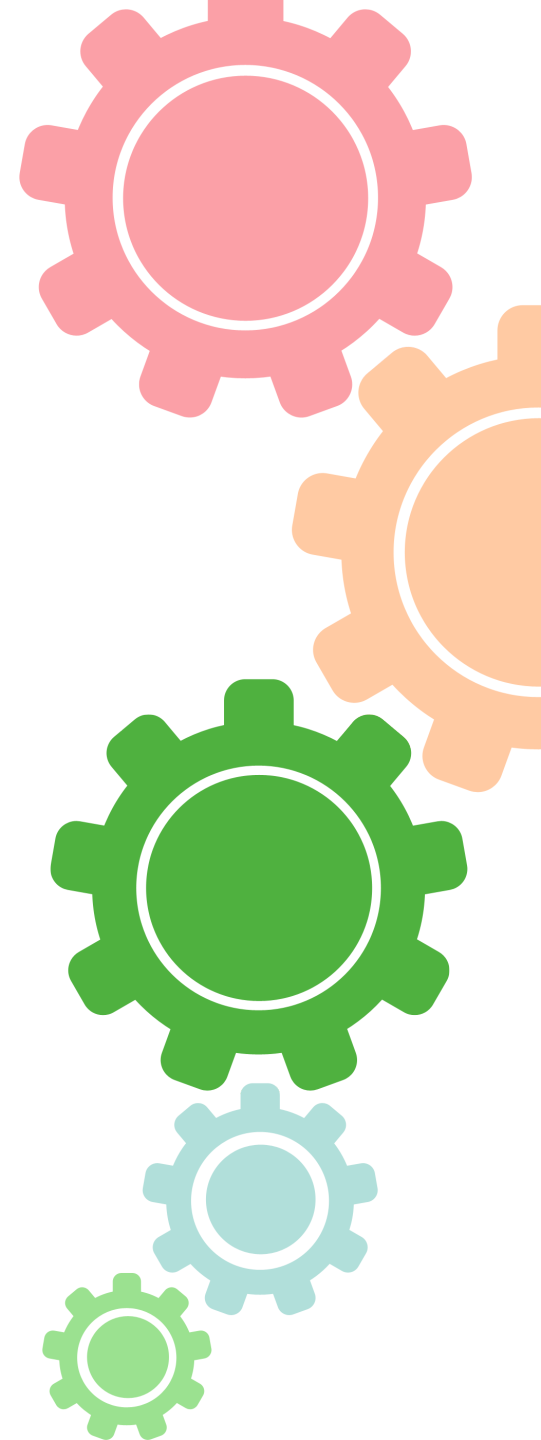


The background of the slide is a solid red color with a complex, low-poly geometric pattern. The pattern consists of numerous irregular polygons of varying sizes and shades of red, creating a textured, crystalline effect. The text is centered horizontally and vertically on the slide.

Report back by the participants



Thematic support initiatives – Africa PAOs





Practical examples: ZICA; SAICA, IRBA, ICPAK

ZICA: www.zica.co.zm; IRBA: www.irba.co.za ICPAK: www.icpak.com

Practitioners Forum

- Share practical audit challenges
- Principles of operating an effective firm

Practice review findings events

- To share outcomes of practice reviews and identify feasible solutions

ISA updates

- Regular ISA update sessions



Practical examples: ZICA; SAICA, IRBA, ICPAK

Audit Technical Committees

- Facilitate and submit comment letters
- Develop auditing practice guidelines

Technical Department

- Develop guidance
- Technical assistance hotline (IRBA, SAICA)

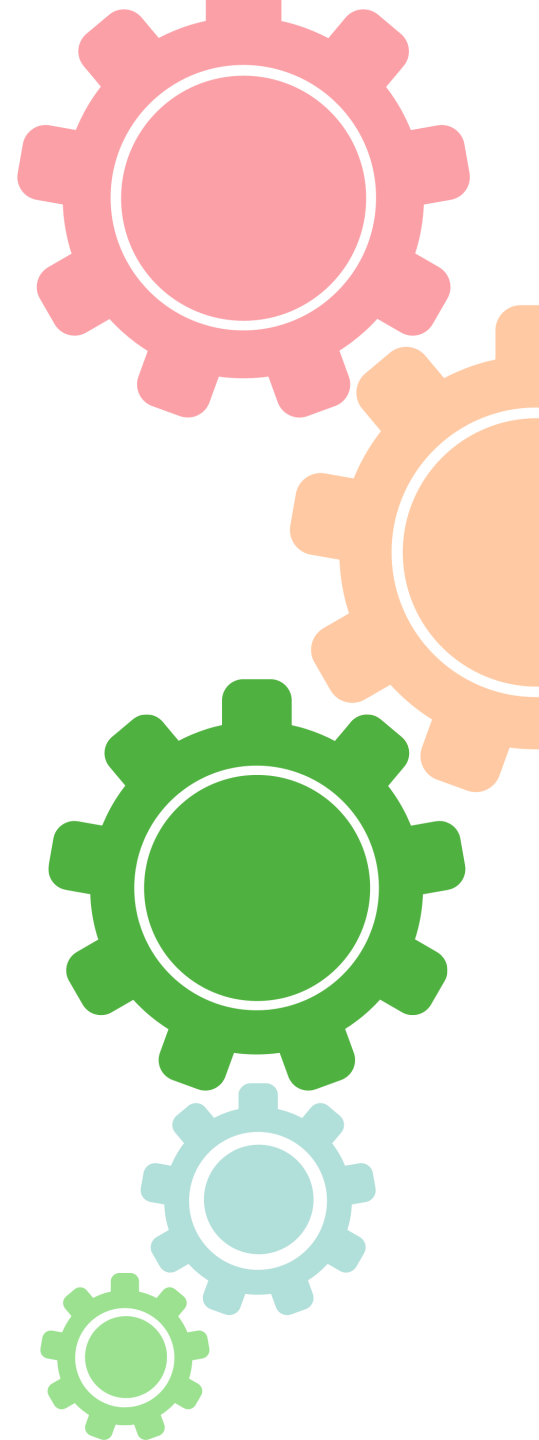
Media promotion

- Accountancy SA Journal; newsletters
- Press releases – national newspapers
- Social media





Contribution to auditing public good



Contribution to auditing “public good” examples

Represented
in Standard
Setting Bodies

IFIAR

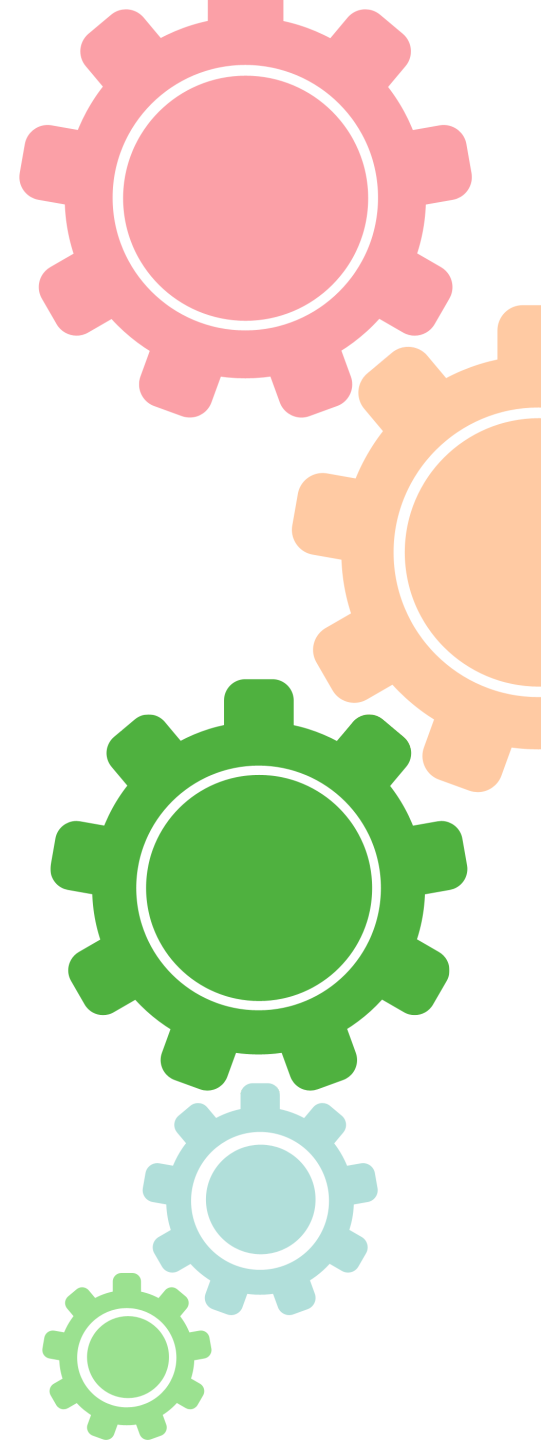
Research units
– thought
leader

Auditor General
partnerships –
AGSA & IRBA audit
quality reviews





South Africa specifics



South Africa Accountancy profession infrastructure



Other PAOs

SAIPA, ACCA, CIMA, Institute of Accounting and Commerce,

South Africa's - audit firm rotation from 2023 (10 year term)

Accounting Practitioners



Registered Auditors

Classification of firm	No of Partners	No of firms	%	No of audit partners	%
Sole practitioners	1	1,583	77%	1,583	41%
SMPs	2 - 19	450	22%	1,401	36%
Large firms	20+	11	1%	899	23%
		2,044		3,883	

+ 457 (not linked to firms nor practicing: 4,358 : Source IRBA 2016

SAICA support to SMPs



Resources/ products

[e-learning, DVDs, manuals, guides]

- Electronic guide for applying IFRS for SME
- Tax Suite
- Practice management manual
- ISQC 1 Implementation guideline for SMPs
- 3rd party products



Knowledge sharing – SMPs

1. Customized CPD

- Building and growing your firm
- Promoting your professional practice
- Managing through a recession
- Cash flow management workshop
- Power up your gross margins
- Starting in Practice(SIP)', and 'Double your income'.
- Succession planning



2. “SME zone” in DSTV business channel

www.saica.co.za



SAICA support to SMPs

Empower on other sources of revenue/ services

- Strategic business and advisory services
- Financial reporting Systems
- Risk management
- Tax services
- Human Resources advisory services

Other member direct support

- SAICA Technical Department support: FAQ
- Online query system
- Communication: bi-weekly, monthly, quarterly

Source: @ SAICA



SAICA support to SMPs



IRBA Committee for Auditing Standards(CFAS)

- » The Committee has a statutory responsibility
 - to develop, maintain, adopt, issue or prescribe auditing pronouncements;
 - consider relevant international changes by monitoring developments by other auditing standard-setting bodies and sharing information where requested; and
 - promote and ensure the relevance of auditing pronouncements
- » Membership of the CFAS comprises auditors, an Auditor-General South Africa representative, a JSE Limited representative, a Financial Services Board representative, a South African Revenue Services representative, a South African Reserve Bank representative, and **an academic**.
- » Members may elect technical advisors, and observers often attend. Representatives from the South African Institute of Chartered Accountants attend by invitation.





*Thanks for your
time!*



*Comments
Questions!*

