

OCTOBER 11, 2022

**The why and future of accounting technicians as catalysts for accelerating economic and inclusive growth (and their contribution to large firms, SMEs, and public sector)**

11:50 -13:30 GMT+2

12 minutes

Thank you, World Bank colleagues, for the opportunity to be part of this important roundtable.

I commend you and the Government of Austria for recognising the importance of foundational accountancy skills in Africa, and for contributing the resources necessary to make it a reality. You have indeed put your money where your mouth is.

I also commend you for taking the time to understand the opportunities and challenges to enable country-specific solutions, while working towards continental consistency. This roundtable is a good example of your efforts in this regard.

### **The "why" of accounting technicians.**

I would like to consider the “why” of accounting technicians in the context of the socio-economic environment in Africa, as well as Professional Accountancy Organisation sustainability, relevance, and credibility.

Professional accountants **(defined as members of Professional Accountancy Organisations)** play an important public interest role, working throughout society to strengthen organisations and enhance economies.

Research commissioned by the International Federation of Accountants confirms that there is a strong link between a robust accountancy profession, economic prosperity, and improved living standards.

- Africa – with a total population of 1.3 billion – has approximately 123,000 professional accountants. That is, 0.01% of the total population.
- 80% of these professional accountants are members of Professional Accountancy Organisations in only three countries: Kenya, Nigeria, and South Africa, representing approximately 0.03% of the total population of these three countries.
- Meaning that, in the rest of Africa, professional accountants represent only 0,002% of the total population.

IFAC's research also found that a significant number of people working within the global accountancy ecosystem are not members of Professional Accountancy Organisations. The researchers estimated that Professional Accountancy Organisations that are members of IFAC represent only one third of this global accountancy ecosystem. The remaining two thirds are, for example, individuals who may identify as accountants but do not possess professional qualifications (for example, in countries where professional qualifications are not required, or individuals working in support roles).

A robust international Code of Ethics, comprehensive educational requirements, and ongoing monitoring and oversight mechanisms are core qualities of the accountancy profession. The link between professional accountants and favourable anti-corruption scores is three times stronger for professional accountants that have committed to these qualities than for individuals who may identify as accountants but do not possess professional qualifications

(for example, in countries where professional qualifications are not required, or individuals working in support roles).

These facts underscore the opportunity for professionalisation. The accounting technician qualification is an excellent starting point.

Let me briefly turn to how an accounting technician qualification can strengthen the pillars of an effective Professional Accountancy Organisation: sustainability, relevance, and credibility.

- PAO credibility goes together with professionalisation, for which I have already made the case.
- PAO relevance can be advanced through an increase in accounting technicians that enables the PAO to respond to:
  - Governments' calls for stronger public sector accountancy capacity to support, for example:
    - Public Finance Management Reforms, such as the implementation of accrual-based International Public Sector Accounting Standards (Rwanda/ICPAR)
    - Tax System Reforms, including the effective and efficient collection of taxes
  - Donors' calls for enhanced accountancy capacity to strengthen country systems and avoid parallel systems (IFAC-Gavi-The GF)
  - Representatives of small businesses' calls for assisting MSMEs to access capital

Furthermore, to remain relevant, qualified professional accountants must accelerate their journey from doing the same things, to doing the same things differently, to doing

different things. In an environment of rapid change, accounting technicians are essential partners to qualified professional accountants on this journey.

- PAO credibility and PAO relevance are key to PAO sustainability. In addition, an accounting technician qualification and membership category can also contribute to a PAO's financial sustainability.

### **Views on the future of accounting technicians.**

Based on my “why”, I hope for a future where accounting technicians are regarded as significant as qualified professional accountants for the economy and Professional Accountancy Organisations.

But I have learned that need and demand are not the same. Although we have succeeded in making a business case for accounting technicians, much must be done to create the demand. For Professional Accountancy Organisations, labour markets, business, and governments to embrace accounting technicians, IFAC would have to do the same in a tangible way, for example, through their Point of View mechanism.

### **How is your institution involved or supporting accounting technician programs?**

PAFA is excited to play our part in strengthening foundational accounting and financial management skills in Africa. With IFAC and ABWA, we participate in a group established by the World Bank to advise on the development of the ATQ for Africa.

We will also assist the World Bank in rolling out the ATQ for Africa in three pilot countries.

Our ultimate goal is access, quality, and consistency. Harnessing economies of scale and learnings from the three pilot countries, we hope to offer an online continental solution that can be supplemented by local solutions for local specificities.

**What are the critical challenges faced by PAOs implementing accounting technicians in your region? *[Alta, Abel, and Brian]***

But first we will have to overcome some critical challenges, including:

- As discussed, recognition of the ATQ at the global, continental, and local levels
- Building the capacity of PAOs to produce and service accounting technicians – this goes beyond the actual qualification and includes the human resources and skills necessary to deliver the qualification (including development of local solutions for local specificities, qualified and interested tuition providers, addressing all aspects of examinations, etc.)
- And when we have organised the supply side, we need to address the demand side, including funding for students to undertake the qualification.

**Proposals (maximum of three) on reforms that Africa or African countries can implement to accelerate the development of more accounting technicians**

My proposals for reform therefore are:

- At the global level: IFAC embracing accounting technicians through the Point of View mechanism
- At the continental level: PAFA, with ABWA, being equipped to harness economies of scale to offer a quality continental ATQ supplemented by local specificities

- At the national level: An ATQ that is ...
  - Embedded within the qualification structure of the nation (even if it requires legislative change)
  - Linked, with exemptions, to higher education (e.g., ATQ level of equivalence to, say, an honours degree)
  - Accessed through comprehensive financial support for students (e.g., SAICA - Thuthuka)

**Concluding question: What is your one critical practical advice to the 4 PAOs [Burkina Faso, Morocco, Tunisia, and Senegal] that are implementing accounting technician qualifications?**

Be innovative, find a way to make it work within your country despite legal framework and other constraints. That will be your PAOs contribution to inclusive and economic growth.