

**Interim Oversight Board on the
Professionalisation of Public Sector
Accounting and Auditing in Africa**

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DRAFT TERMS OF REFERENCE

INTERIM OVERSIGHT BOARD ON THE PROFESSIONALISATION OF PUBLIC SECTOR ACCOUNTING AND AUDITING IN AFRICA - TERMS OF REFERENCE

1. Context and justification

- 1.1 An Africa of good governance, democracy and respect for human rights, justice and the rule of law is an aspiration of the African Union's Agenda 2063. Good financial governance, supported by sound and transparent public financial management systems, managed by qualified professional public sector accountants and audited by qualified public sector auditors is a pre-requisite to achieve this noble aspiration.
- 1.2 Competent, professional and performance driven public sector institutions are essential to deliver effective, efficient and accountable services. Professional public sector accountants play a crucial role in public financial management through rendering an account of the use of resources for this service delivery, providing decision-useful information to leaders in the African continent. Professional accountants working in external audit provide assurance that this information is reliable and that services are delivered effectively, efficiently and economically.
- 1.3 The United Nation's sustainable development goal (SDG) 16 calls for peace, justice and strong institutions. Professional accountants can contribute significantly to the strength of public institutions. SDG 17 calls for partnerships for all the SDGs. Professionalisation efforts will be dependent on various stakeholder groups working together towards a common goal.
- 1.4 The African Development Bank has identified five priority areas that are commonly referred to as the "High 5 Priorities." These priorities are to: "Light and power Africa; Feed Africa; Industrialise Africa; Integrate Africa; and Improve the quality of life for the people of Africa." Sound public financial management is essential to manage resources invested in these priority areas and to ensure sustainability.
- 1.5 The so called African "demographic dividend"¹ emphasises the importance of education and skills of the youth. It provides a strategic basis for focusing and prioritising investment in young people. Professionalisation provides a career path for a young person to develop their competencies in a particular area and to obtain recognition through a formal qualification. This allows them to not only earn a living but to contribute to the transformative development of Africa.

¹ AU, 2017. *AUC and UNFPA recommit to accelerate efforts to implement roadmap to harness the demographic dividend through investments in youth* (<https://au.int/en/node/32660>).

- 1.6 The African Organisation of English-speaking Supreme Audit Institutions (AFROSAI-E) took the initial lead on the Professionalisation Strategy of Public Sector Accounting and Auditing in Africa (the Strategy), which was approved by its Governing Board in May 2014. Subsequently AFROSAI-E has held engagements with the Pan-African Federation of Accountants (PAFA) and the East and Southern African Association of Accountants General (ESAAG) and determined that there is a common understanding between the organisations of the need for professionalisation in public sector accounting and auditing. The three organisations plan to work together in the implementation of the Strategy.

2. Purpose

- 2.1 The Strategy is part of a continent-wide drive to facilitate capacity development in accounting and auditing in Supreme Audit Institutions (SAIs), Offices of Controllers and Accountants General, Ministries of Finance and government in general, and the intention is that this initiative should ultimately be rolled out across the whole of the region irrespective of the language sub-groups involved. The Strategy aims to facilitate the development of the necessary mechanisms and infrastructures to support the delivery of public sector professionalisation at the level of individual countries or sub-regions or other interested stakeholders.
- 2.2 According to the Strategy, for it to have credibility and to succeed it must demonstrate that it has the commitment of stakeholders at the very top level who are willing to champion its aims and objectives. Furthermore, it will be essential to keep the progress of the initiative under continuous review and to have a mechanism in place to report to the wider stakeholder community. In this context, there is a need for a body which can exercise effective oversight of the work being carried out and which can act as guardian of the strategic objectives of the initiative.
- 2.3 This is the function of the Interim Oversight Board (IOB) tasked with a review of the achievements of the initiative and which would act as a focal point for communications with stakeholders. Members would also take responsibility for establishing contact with policy makers and others at senior levels within and outside the profession.

3. Aim and Objectives

- 3.1 The IOB aims to establish a permanent Independent Oversight Body for the professionalisation of public sector accounting and auditing in Africa. In support of this aim, the objectives of the Interim Oversight Board are to:

- create awareness of the aim, objectives and expected outcomes of an Africa-wide professionalisation programme in public sector accounting and auditing;
- establish multi-stakeholder mechanisms for leading and overseeing the development and delivery of the initiative;
- facilitate the development of a communication strategy and effective relationships between stakeholders and potential stakeholders including international organisations, regional groupings of applicable political and managerial decision makers, and national institutions;
- engage with potential donor agencies on funding for the implementation of the Strategy.

4. Principles

The IOB shall recognise as a matter of principle:

- 4.1 The aspirations of the African Union’s Agenda 2063, in particular “an Africa of good governance, democracy, respect for human rights, justice and the rule of law.”
- 4.2 The equality of all member organisations and associate members.
- 4.3 Transparency and the mutual respect and benefit of this initiative.
- 4.4 This initiative shall not be exclusive and shall include all organisations supporting it.
- 4.5 The successful implementation of the strategy is dependent on collaboration between members, observers and participating secretariats.

5. Participation

Participation by organisations

- 5.1 Participation by relevant and professional accounting and auditing organisations is open to all regional or sub-regional organisations with a direct interest in Public Sector Accounting and Auditing and who meet minimum qualification criteria that shall be agreed upon by the Interim Oversight Board. Initial membership will be comprised of nominations from the following organisations:

- AFROSAI-E
- PAFA
- ESAAG

- 5.2 Each member organisation may appoint, through its own internal structures, a maximum of five individuals to serve on the IOB. The appointment period of individuals is three years, and may be renewed once for a period not exceeding three years for an aggregate term of six years. Member organisations may from time to time rotate individuals, but should take into account continuity for serving on the IOB.
- 5.3 The IOB has a maximum of fifteen (15) members.
- 5.4 The Chairperson will be elected by the IOB. The term of the chairperson is to be determined by the IOB.
- 5.5 Members of the IOB should be a registered member of a Professional Accountancy Organisation.
- 5.6 IOB members may be accompanied at meetings by a technical advisor. A technical advisor has the privilege of the floor with the consent of the chairperson. Technical advisors are expected to possess the technical skills to participate, as appropriate, in IOB debates and attend IOB meetings regularly to maintain an understanding of current issues relevant to their role.

Associate members

- 5.7 Participation as an associate member is open to international, professional and other organisations or individuals that share the aims and objectives as set out in this Terms of Reference (ToR) and are involved in the development of the accountancy profession.
- 5.8 Associate member representatives are expected to possess the technical skills to participate fully in the IOB discussions.

6. Responsibilities of members and representatives

- 6.1 The work of the IOB must be informed by the needs and views of all relevant stakeholders from across the continent. The IOB must ensure that sufficient consultation takes place to ensure the legitimacy of its activities. Members should demonstrate the relevance of the work through active advocacy efforts within their sphere of influence.

6.2 The responsibilities of the representatives of the member organisations and associate members are:

- To actively participate in the activities and objectives of the IOB and to share information on subjects of common professional and technical interest.
- To ensure that they achieve high quality thresholds of contributions in terms of technical content, innovation and timeliness.
- To ensure regular, active and constructive participation in meetings.
- To provide a feedback link between country-level activities and the regional structures.
- To ensure that the IOB obtains views and inputs that are representative of all African stakeholders participating in the field of public sector accounting and auditing.
- To lead advocacy efforts of their organisations in respect of the Strategy.
- To spearhead the provision of specific and general proactive feedback on issues and developments relevant to the IOB and the Strategy.
- To promote the Strategy on relevant regional and international platforms.

6.3 The spirit of the IOB is to function in an open and transparent way to achieve the objectives of the initiative.

7. Meeting procedures

7.1 Generally, the IOB should meet at least twice per annum, or as agreed upon by the IOB.

7.2 When funding is not available, members should be willing to pay for their travel expenses through their sponsoring organisations. The Chairperson's expenses shall be paid for by AFROSAI-E.

7.3 For a quorum, each IOB meeting requires the presence in person of at least 50% + 1 of the members.

7.4 IOB meetings shall be chaired by the Chairperson. In the event of his/her absence the Chairperson shall nominate a member to chair the meeting. If the Chairperson is absent and has not nominated an alternate chairperson, the IOB shall nominate a chairperson for that meeting.

7.5 Decisions should be based on consensus.

8. Secretarial functions

8.1 The agenda and meeting material shall be prepared in English.

8.2 The AFROSAI-E, ESAAG and PAFA Secretariats shall provide logistical support and perform secretarial functions to the IOB. This includes, but is not necessarily limited to:

- Preparing documents and other relevant material.
- Sending out invitations and keep records of meetings.

8.3 Agenda and material

- The AFROSAI-E, ESAAG and PAFA Secretariats set, in consultation with the IOB Chairperson, the agenda for a meeting.
- The agenda shall be circulated one week prior to a meeting and may change before a meeting if additional items are requested or comments from members are received.
- Materials supporting agenda items are ordinarily provided electronically prior to each meeting, highlighting issues for consideration.

9. Technical resources

9.1 The AFROSAI-E, ESAAG and PAFA Secretariats shall source technical support for IOB meetings when it is necessary to assist the IOB in conducting its work.

10. Revision of the Terms of Reference

10.1 Under the authority of the members of the IOB, this ToR may be revised and amended from time to time.

10.2 It is envisaged that the IOB and ToR should be replaced by an Independent Oversight Body/Structure with its own Constitution, membership and accountability arrangements by 2019.