

## **IFAC PAODAG Meeting 22-23 February 2023, New York (and Regional Organisations meeting – 24 February)**

Prepared by the Chief Executive

This meeting report is issued to all members to provide a timely overview of matters discussed, implications to CAPA and any actions arising. All information is deemed confidential and distribution is limited within CAPA and its members (see CAPA policy 1.7 for further details). Any views expressed by the preparer may not necessarily reflect the official views of CAPA.

The IFAC PAO Development Advisory Group (PAODAG) met for two days. Some 10 Group members attended in person (with many other observers and staff), with just 2 Group members attending virtually. CAPA and others successfully pushed to re-schedule the original meeting date to align to the CE Forum/IFAC Board meeting more efficiently.

### **Summary Comments**

Some good topics discussed (and in terms of relevance to CAPA), including matters the PAODAG are monitoring. It was less clear how some other discussions, particularly general update sessions, reflected the purpose of the Group and intended outcomes. CAPA was featured throughout the 2-day discussions, with a high profile given to our work involving the Maturity Model, accounting technicians (AT) and public sector. It became clear again that the profession must avoid ‘reinventing the wheel’ and utilise readily available guidance, tools, etc., in the member development space.

It was also pleasing that one of our members, SIA (Samoa) was invited to participate virtually and discuss the challenges of small PAOs.

### **Highlights:**

#### **1. IFAC President Remarks**

Discussed IFAC’s key focus areas:

- Sustainability related opportunities and challenges
- The fight against corruption – IFAC currently surveying PAOs to understand their level of focus, including within education programs
- Enhancing the attractiveness of the profession – putting “the public interest” at the center may entice the next generation

#### **2. PAO Digitalisation – Manuel Arias, IFAC**

Initiative commenced in 2020 (not really heard much about it since the early days.) A Global Report on PAO Digital Readiness will be released shortly. An IT Community of Practice will be established. Demonstration of ‘PAO powerUp’ – a service and systems made available by a third party on behalf of IFAC. Comprises 5 core modules (sign-up portal, applications processing, online payments, fee management, notifications) and many additional (optional) modules (e.g. exams, CPD). Some of our PAOs may wish to consider going down this path. This is a cloud-based solution.

#### **3. Sustainability Update - David Madon, IFAC Director**

First ISSB standards expected mid-year. Reporting for larger companies expected 2024 and SMEs 2026. The 3rd IFAC/AICPA State of Play report has just been completed. Assurance services are stronger on Environment - less so in Social and Governance aspects. In certain jurisdictions, consultants have a clear foothold in providing assurance services.

#### **4. Capacity Building Update – Darlene Nzorubara, IFAC**

Update on activities – largely Africa related.

## 5. Strategic Planning

IFAC are considering issuing material on strategic planning. To stimulate discussions, two PAOs described their development in recent years, with a focus on the strategic planning activities undertaken:

- Cayman Islands – first employed staff only commenced in 2007 and strategic planning followed
- Rwanda – membership grew from 200 to 800 over 2015 – 2022

CAPA is in discussions with IFAC as to what they may do in this area, since it coincides with CAPA's consideration of a 'Funding & Business Model' Guide, part of our PAO Development Guidance Series.

## 6. 'Microstates'

IFAC and PAODAG have an interest in considering matters associated with small island PAOs – a cohort that faces unique development challenges due to size and/or remoteness. A CAPA member, SIA (Samoa) joined virtually and presented – CAPA assisted in organising this. The SIA presentation was excellent and well received. IFAC will consider the next steps.

## 7. Accounting Technicians

IFAC tabled a 2-page 'value proposition' document planned for launching the following week. The document makes significant reference to the work of CAPA and contains similar messages. CAPA CE was asked to provide an overview of all the work CAPA has undertaken. AAT UK also made various comments.

The matter will likely be pushed with development partners, though caution expressed that the opportunities should not be seen as only applying to less well-developed economies and PAOs.

## 8. IFAC CFO Update – Russell Guthrie

Russell is retiring from IFAC after 20 years and has worked in many roles at IFAC. He therefore offered perspectives in respect to PAO development activities.

## 9. Information Sharing

IFAC Network Partners (INPs) were requested to share their 2023 priorities. Comments were made by:

- CAPA
- PAFA (Africa) – who have taken on a very broad agenda
- ICAC (Caribbean)
- AFA (ASEAN) – noting (1) follow-up to SMO workshops (Gateway article) and identified challenges and solutions; (2) research report on digital disruption perceptions; and (3) building new strategic plan aligned to IFAC priorities

## 10. Member Updates

Palestine (IFAC member) noted Arabic Federation of Accountants (AFA) now an INP.

## 11. Next meeting

28-29 June 2023, virtual.

## Regional Organisations meeting

IFAC took the opportunity to convene individuals leading or associated with regional organisations – more appropriately termed IFAC Network Partners (INP) – for a half-day meeting.

Issues associated with 'governance' of these organisations were discussed at length, e.g. Board appointments, representation versus independent appointments. My personal view is that such organisations need to move beyond this very quickly and focus on 'performance'. Other comments:

- **AFA (Arabic region)** - 20 countries; wants to resolve the issue of overlapping INPs
- **CAPA** – emphasised our useful existing materials and ideally would 'consult' to our members
- **PAFA (Africa)** - 8 staff; works closely with their Affiliate members; has wide focus, hard to go deep; ideally would work more with standard setters and in rolling out standards
- **EFAA (Europe SMP focus)** – currently has strong sustainability focus
- **AFA (ASEAN)** – "wants to collaborate with other regional organisations"

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