

5.3 Strategic Planning

Prepared by Chief Executive

1. Introduction

The strategic plan, 2017 annual work plan, and 2017 budget, including 2017 membership fees, will be presented at the next Board meeting. This is an opportunity for all members and directors to provide ideas and thoughts in respect to these matters.

2. Commentary

To support discussions, a few comments are provided.

Current Strategies

Key focus areas are PAO development and public sector financial management. These are addressed through established working committees and aided by the continuing development of strong relationships with key stakeholders in these areas, e.g. IFAC, donors, SAIs.

PAO Development: 2016 witnessed commencement of production of a PAO development Guidance Series based on the Maturity Model. By the end of 2016, CAPA will have produced at least 4 such Guides, with at least one in-progress. Dependent upon reaction to this initiative, a clear option is for CAPA to produce Guides for each of the 16 areas of the Maturity Model.

Improving Public Sector FM: The launch of *Attracting and Retaining Finance Personnel in the Public Sector* represents completion of the second publication of the PSFMC, and itself is the first 'deep dive' into one of the elements discussed in CAPA's publication: *The Eight Key Elements of PFM Success*, published in 2014. Another clear option is continue this strategy and take further 'deep dives' into other *Key Elements*.

Funding Considerations

The funding base from membership fees has improved in recent years. It has attained a level whereby we have recently been able to contract with certain consultants to provide services and undertake certain projects, most notably the PAO development Guidance Series. This approach appears to be working well – it provides scalability and flexibility.

Donors have also provided funding for activities in the region, and whilst this does not financially benefit CAPA as an entity, it does allow us to undertake many other activities for the benefit of the profession in the region that we would otherwise be unable to undertake. In this respect, it has the same impact as if our own funds are used.

The relatively recent establishment of MOSAIC, and the positive relationships and discussions with donors, provide optimism for future projects. However, the donors do not have a specific plan for working with the profession:

- During the planning for FRED, it became evident that initially anticipated levels of funding would not materialize. Other sources of funding were needed to stage FRED in the desired manner. Initial conversations with the World Bank in respect to supporting any 'FRED 3' Forum have been somewhat positive, however the details need much further discussion.

- The MOSAIC initiative has provided certain opportunities, e.g. the DFID projects, however no over-arching plan or strategy involving all donors has arisen to date, other than in areas of information sharing.
- The ADB is currently supporting a regional funded project in partnership with CAPA, and other opportunities with the ADB can be pursued, however this requires ongoing work to build relationships with the right people.

The regional organisation

CAPA has a very broad range of members, in particular members at different stages of development; of greatly varying size (PAO and country); and covers a wide geography that encompasses some distinct groupings, e.g. East Asia, South Asia - SAARC, South East Asia - ASEAN, Oceania, Pacific Islands.

It is a challenge for CAPA to undertake activities that meet the needs of such groupings at the same time. SAARC and ASEAN have established accountancy groupings, and here the challenge is to work effectively together such that the combined limited resources are put to best use.

During 2016, CAPA reached out to South East Asia members more so than at any other time, however more can still be done to form a more effective working relationship between CAPA, AFA and their members.

Other opportunities

The following matters have been or are on the current radar:

- ✓ Whether to establish other working committees to give focus to other contemporary topics, e.g. integrated reporting, accounting technicians.
- ✓ Continuing development of expanded stakeholder relationships – educators, regulators.
- ✓ Fraud and Corruption – IFAC have recently made this a focus area
- ✓ Gender Diversity – a general area of interest across the business community

It is interesting to note IFAC's current mission:

- 1. Supporting the development of high-quality global standards**
- 2. Promoting the adoption and implementation of these standards**
- 3. Building the capacity of professional accountancy organisations**
- 4. Speaking out on public interest issues**

A copy of IFAC's 2016-18 Strategic Plan is attached.as 5.3.1

CAPA's strategies always take account of what we are best placed to do, and not to undertake activities IFAC or PAOs are better placed to do. Our strategy considerations must also be reflective of available resources. Taking these two matters into account, CAPA tends not to participate actively around **#1**; is very active in **#3** capacity development; and tends to play supportive roles in "piggy-backing" IFAC's work in **#2** and **#4**.

3. Action Required

To consider future strategic directions.