

Developing Accountancy Capacity

in Fragile and Conflict-affected States

Conference

PAO Leadership Workshop



March 26–28, 2018



Welcome: Nuts and Bolts of Leadership and Governance in a PAO



Mr. Kabuya is a Senior Governance Specialist at the World Bank Group (WB), South Africa office. His role involves partnering with and supporting governments, regulators and accounting professional bodies across Africa, to strengthen the accountancy profession, corporate governance and public finance management for benefit of citizens. Before joining the WBG in 2009, he served at EY (Nairobi and Johannesburg offices) and SAICA. He is a Fellow Certified Public Accountant of Kenya (CPA(K)), Fellow of Association of Certified Chartered Accountants (ACCA), ACA (Chartered Accountant – Institute of Chartered Accountant of England and Wales), and African Leadership Initiative Fellow (a member of Aspen Global Leadership Network) and a member of South Africa Institute of Directors.

FCPA Patrick Kabuya
Senior Governance Specialist
World Bank Group



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Developing Accountancy Capacity in Fragile and Conflict-affected States Conference

AGENDA

Day 3: Wednesday, March 28, 2018, 0900 – 1630
PAO Leadership Workshop

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9:00 - 9:30	1. Nuts and bolts of leadership and governance in a PAO <i>Patrick Kabuya, Senior Financial Management Specialist, World Bank</i>
9:30 - 10:45	2. Principles and practices of operating an effective PAO Board/ Council <i>Steven D. Seimavula, President, Liberian Institute of Certified Public Accountants (LICPA)</i> <i>Rose Mwaura, Vice President, Institute of Certified Public Accountants of Kenya (ICPAK)</i> <i>Isma'ila Muhammadu Zakari, President, Institute of Chartered Accountants of Nigeria (ICAN)</i> <i>Moderator: Patrick Kabuya, Senior Financial Management Specialist, World Bank</i>
10:45 - 11:15	Break
11:15 - 12:30	3. Principles and practices of an effective PAO Chief Executive Officer (CEO) or equivalent <i>Djidotor Yawo, CEO, Ordre National des Experts-Comptables et Comptables Agréés du Togo (ONECCA-Togo)</i> <i>Lindie Engelbrecht, Executive Director: Members & Global Alliances, South African Institute of Chartered Accountants (SAICA)</i> <i>Derick Nkajja, CEO, Institute of Certified Public Accountants of Uganda (ICPAU)</i> <i>Moderator: Leboqang Senne, Technical Director, Pan African Federation of Accountants</i>
12:30 - 13:30	Lunch
13:30 - 14:45	4. Breakout Session—Strengthening PAO Governance in FCS: Challenges and Reforms <i>Darlene Nzorubara, Senior Technical Manager, IFAC</i>
14:45 - 15:15	Break
15:15 - 16:15	5. Report Backs on Breakout Session— Strengthening PAO Governance in FCS: Challenges and Reforms <i>Darlene Nzorubara, Senior Technical Manager, IFAC</i>
16:15 - 16:30	6. Closing remarks <i>Patrick Kabuya, Senior Financial Management Specialist, World Bank</i> <i>Alta Prinsloo, Executive Director, IFAC</i>

Session 1: Nuts and bolts of leadership and governance in a PAO

Roles and responsibilities

[Reference –Accountants Act, Memorandum and Articles of Association; Common Law, governance codes]

Duty: Fiduciary duty and exercise due care, skills and diligence

1. Develop **strategic direction and performance objectives**
long term value creation for benefit of all stakeholders
2. Approves **policies and plans** that gives effect to strategy
3. **Oversight** implementation – strategy, policies [not operational]
4. Appoint and monitor CEO [KPI: succession planning]
5. Ensures **accountability and transparency** (reporting and disclosure)

Board committees?

Board membership – composition and size

Types

1. **Legally established PAOs: regulatory functions**
 - Government representatives
 - Members of the profession
2. **Associations:** Representatives from different groupings and regions - mainly from the profession

Key issues

- Is the Board comprised of members from diverse qualifications, experience and skills?
- Diversity of gender and age

“Board composition probably has the greatest single impact on the future success of an organization”

Board members terms of office and elections

- Specified term of office:

Institute	Term of members
ICPAK	3 years
SAICA	3 years * 3 terms
BICA	2 years * 4 terms
ICPAU	2 years * 2 terms
ICPAU	2 years * 2 terms

- Elections for Board members – eligibility and the process
- Diverse terms of office some of which are too short, and others have no term limits.
- Don't allow continuity and retention of institutional memory
- Succession planning
- Are there specific eligibility criteria?
- Are elections open, free and fair?

Board Chairperson

- The role of the chairperson
- Term of office

Institute	Term of Chair
ICPAK	2 years
SAICA	2 years
BICA	One year * 2 times
ICPAU	2 years * 2 terms
ICPAR	2 years

- Term of office being too short, perpetuity and others aligned to Board term (no opportunity for other Board members to serve).
- No eligibility criteria for appointing the Chairman

- Eligibility criteria and appointment process

Development of Board members

Continuous professional development

1. Is there an orientation for new Board members?

- Directors orientation sessions: [Chairperson of the Board/Committees; Managements – group and individually]

2. How do you ensure the Board members enhance their skills during term in office?

- Mentorship – learning from other Board members
- presentation by guest speakers, formal training
- Membership to Institute of Directors – Chartered Director
- Regular reading - online – IODs, magazines, newspapers, linkedIn

Board meetings

- Regularity of Board meetings
- Practices to host an effective meeting – *calendar of meetings with specific agendas; timing for submission of agenda and pack; board meeting proceedings; quorum, participation of members, minutes sharing*
- Too often or irregular
- Ineffective Board meetings
- Personal/group agenda
- Declaration of conflict of interest – inexistent
- Dominating members/group - balance of power

Board evaluations

Board performance evaluation – Board and committees (Collective and individual) – to enhance its performance. Example

- *Annual: self evaluation by all members*
- *Annual: Individual members by the Chairperson*
- *Annual: Evaluation of the Chairman by the members*
- *Formal evaluation say every alternate year.*

The results inform governance improvement areas

Chief Executive Officer or equivalent

- Qualifications of CEO
- Recruitment process
- Roles and responsibilities
- Evaluation of the CEO

What are the key issues?

- Challenge to identify a suitable CEO
- Recruitment process challenges
- Board members interference
- No **succession planning** for CEO and staff (senior management)

THANK YOU

IFAC Guideline: ESTABLISHING GOVERNANCE
A Guide for Professional Accountancy Organizations

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Session 2: Principles and practices of operating an effective PAO Board / Council



Steven D. Seimavula, President,
Liberian Institute of Certified Public
Accountants (LICPA)

Mr. Seimavula is a Liberian educated in Liberia and holds a United Kingdom Professional qualification. He is a finance professional with over twenty-five (25) years of experience in financial planning, Control, management and reporting in a Multinational and world class bank. He also has more than ten years of Auditing experience starting with Coopers and Lybrand, which later merged with Price Water House and presently PKF Liberia.



Rose Mwaura, Vice President,
Institute of Certified Public
Accountants of Kenya (ICPAK)

Ms. Mwaura has been an ICPAK Council Member since June 2014. In July 2017 she was voted in as the Vice Chairman of ICPAK. She is a Partner with Deloitte with over 20 years' experience in financial management, accounting, audit, risk management and corporate governance and has worked extensively with both private and public sector organizations advising management and boards of directors. She has a Bachelor of Commerce (Accounting major) degree from the University of Nairobi and is also a member of the American Institute of Certified Public Accountants (AICPA). She enjoys visiting new places and spending time with her family.



Isma'ila Muhammadu Zakari,
President, Institute of Chartered
Accountants of Nigeria (ICAN)

Mr. Zakari is a member of the ICAN Governing Council since 2004. He is the Managing Partner of Ahmed Zakari & Co. (Chartered Accountants), a firm providing auditing & assurance, tax, advisory, insolvency, business consulting and business valuation services. Mr. Zakari is a Fellow of ICAN and is also a Fellow of the Business Recovery and Insolvency Practitioners Association of Nigeria (BRIPAN).

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Session 3: Principles and practices of operating an effective PAO CEO or equivalent

MODERATED BY:



**Lebogang Senne,
Technical Director,
PAFA**

Lebogang is the technical director of the Pan African Federation of Accountants (PAFA). She is a member of the South African Institute of Chartered Accountants (MBA) and holds a MBA from the Gordon Institute of Business Sciences (GIBS). Her experience, gained both locally and internationally, spans various industries, with a special focus on IFRS and integrated reporting. In addition to her role at PAFA, Lebogang is also a member of the African Women Chartered Accountants Forum (AWCA) board of directors and a member of the SAICA Initial Professional Development (IPD) committee. She is passionate about the accounting profession and the development of good governance across the African continent.

Session 3: Principles and practices of operating an effective PAO CEO or equivalent



Djidotor Yawo, CEO, Ordre National des Experts-Comptables et Comptables Agréés du Togo (ONECCA-Togo)

Mr. Yawo has worked as Audit Manager and Partner of PKF network in Togo since 1986. Beginning in 2015, he joined BDO network and became Audit and Assurance Partner of BDO TOGO and Partner of BDO Francophone West Africa. Currently, he is the President of the Professional Accounting Organization of the Republic of Togo and Vice-President of the Permanent Council of the Professional Accounting Organization of West African Economic and Monetary Union (WAEMU/UEMOA).



Lindie Engelbrecht, Executive Director: Members & Global Alliances, South African Institute of Chartered Accountants (SAICA)

Mrs. Engelbrecht joined SAICA in her role as Executive Director: Members & Global Alliances in April 2016. Lindie serves as a non-executive director on the Hyprop Investments Limited board, chairman of the audit committee, and member of the risk committee, remuneration and nominations committees. Her previous roles include director at Ernst & Young in the Climate Change & Sustainability services and director at KPMG focusing on governance and assurance. Lindie is also a member of the King Committee on Corporate Governance and served as the main editor of the South African Report of Corporate Governance (King III).



Derick Nkajja, CEO, Institute of Certified Public Accountants of Uganda (ICPAU)

Mr. Nkajja, CPA, is the chief executive officer and secretary to the Council of ICPAU, positions he has held since October 2010. Previously, Mr. Nkajja represented the Eastern Africa region on the PAFA. In 2014, he became a member of the IFAC Compliance Advisory Panel. Mr. Nkajja graduated from Makerere University (Uganda) with a Bachelor of Commerce degree with an accountancy major. He also holds a Master of Business Administration from Edinburgh Business School of Heriot-Watt University (UK).

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Breakout Session: Strengthening Governance in FCS—Challenges and Reforms

Darlene Nzorubara

Senior Technical Manager,
Quality & Development
IFAC

Strengthening PAO Governance in Fragile and Conflict Affected States

Please select a table with the topic you would like to discuss:

☐ **Table 1**

- Board Role and Responsibilities
- Board Committees
- Board Meetings

☐ **Table 2**

- Board membership – composition and size
- Board members and chairman's term of office and appointment
- Board members development and evaluation

☐ **Table 3**

- Chief executive officer: Competencies and qualifications and recruitment process; working arrangements with the Board; and evaluation.

Strengthening PAO Governance in Fragile and Conflict Affected States

- Please identify a **Scribe** to your table, to listen and write down your answers on the worksheet provided.
- Please designate an **Ambassador**.

Strengthening PAO Governance in Fragile and Conflict Affected States

PART ONE (60 minutes)

- Please share practical experiences amongst each other on the topic you have selected
- Please discuss:
 - What are the top 3 key challenges relating to each of the allocated thematic areas?
 - What are the top 2 key causes (root causes) of each of the key challenge?
 - What actions need to be taken to address these key challenges and what support is needed from relevant stakeholders?

Strengthening PAO Governance in Fragile and Conflict Affected States

PART TWO (15 minutes)

- We would like to invite **Ambassador** and **Scribe** to join another group.
- **Ambassador**, please outline the key insights of the topic discuss on your table
- Participants, please share any additional insights that you may have on the topic presented by the **Ambassador**

Strengthening PAO Governance in Fragile and Conflict Affected States

PART THREE (15 minutes)

- We would like to invite **Ambassador** and **Scribe** to join another group.
- **Ambassador**, please outline the key insights of the topic discuss on your table
- Participants, please share any additional insights that you may have on the topic presented by the **Ambassador**

Strengthening PAO Governance in Fragile and Conflict Affected States

PART FOUR (15 minutes)

- We would like to invite **Ambassador** and **Scribe** to join another group.
- **Ambassador**, please outline the key insights of the topic discuss on your table
Participants, please share any additional insights that you may have on the topic presented by the **Ambassador**

Strengthening PAO Governance in Fragile and Conflict Affected States

FEEDBACK (30 minutes)

- We would like to invite the **Ambassador** to present the top three challenges and solutions based on the group discussion and insights they have collected from the different tables on the allocated thematic area.

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Reporting Back: Strengthening Governance in FCS—Challenges and Reforms

Closing Remarks



FCPA Patrick Kabuya
Senior Governance Specialist
World Bank Group



Alta Prinsloo
Executive Director, Quality
and Development
IFAC

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