

AFRICAN FORUM OF INDEPENDENT ACCOUNTING AND AUDITING REGULATORS (AFIAAR)

Text of the Charter

PREAMBLE

Considering the pre-eminent role which proper regulation plays in the financial sector for the purpose of enhancing a climate of investor confidence and ensuring security and stability for global investment into Africa and African economies,

Conscious that such a climate will not only drive growth and alleviate historical marginalisation in our communities but also contribute to the revival of the continent and its capital markets,

Desirous that there is a need to develop and capacitate Professional Accountancy Organisations (PAOs) and Auditing Regulators with the responsibility of accounting and auditing regulation, with the objective to drive independent audit regulation and improve audit quality on the African continent,

Realising that the regulation of accounting and auditing is becoming increasingly intertwined with the global financial architecture and constitutes a key mechanism for achieving international financial stability in the African economic order,

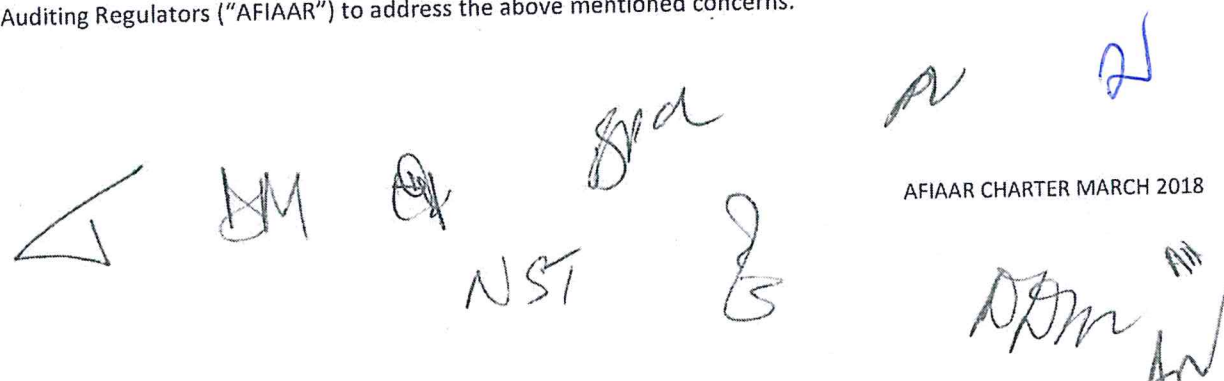
Considering that co-operation and collaboration between regulators such as exchange and sharing of information will enhance regulatory surveillance, risk assessment and complementary enquiries into specific transactions,

Aware that independent regulation of the accounting and auditing professions provides a mechanism for protecting the public interest and building confidence in capital markets in our respective jurisdictions,

Encouraged by the interest and support shown by the bodies concerned with the various markets at different stages of independence and capacity in favour of the establishment of an African forum, of which the founding members are:

- Botswana
- Ethiopia
- Lesotho
- Malawi
- Mauritius
- Mozambique
- Namibia
- South Africa
- Tanzania
- Zambia
- Zimbabwe,

the undersigned parties have decided to set up an African Forum of Independent Accounting and Auditing Regulators ("AFIAAR") to address the above mentioned concerns.



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In that regard, the AFIAAR will enable its members to co-operate and collaborate regarding the need for proper regulation of the accounting and auditing professions, their respective practical experiences and the support they may provide to one another in the field, the sharing of information including but not limited to the regulation of professional practice rights, the regulation of accounting and auditing standards particularly through formal standard-setting processes.

The AFIAAR will seek to enhance consistency between countries on audit quality and independent regulation while creating opportunities for countries to collaborate with one another in areas such as inspections and investigations to improve results and efficiency in protecting the public.

The AFIAAR will also allow such alignment and collaboration as become necessary in focusing efforts, monitoring results, encouraging wider and healthy participation of countries, institutes, professions, researchers and others interested in the field of establishing a robust and effective regulatory framework.

The above mentioned founding members have decided to prepare the following Charter to guide the activities of the AFIAAR.

**THE CHARTER
OF
THE AFRICAN FORUM OF INDEPENDENT ACCOUNTING AND AUDITING REGULATORS
(AFIAAR)**

1. The Purpose of the Charter

- (a) The present Charter shall be referred to as the AFIAAR Charter.
- (b) This Charter sets out the objectives, principles, membership and relationships with other organisations of the African Forum for Independent Accounting and Auditing Regulators (AFIAAR) and may be subject to amendments from time to time to give effect to the considerations set out in the Preamble.
- (c) This Charter also sets out the common goals of AFIAAR and the guiding principles of the AFIAAR with respect to its activities and other arrangements in furtherance of those goals.

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The bottom of the page contains several handwritten signatures and initials in black ink. On the left, there is a large 'J' and 'M' signature. In the center, there are initials 'LA', 'BPA', and 'NST'. To the right of these are more initials, including 'E' and 'AN'. On the far right, there is a blue ink signature that looks like '2' or 'J'.

2. The Duties and Responsibilities of the AFIAAR

The duties and responsibilities of the AFIAAR shall be -

- (a) to sensitise, raise awareness and create the will in the national legislators to secure a robust regulatory framework aligned to the international standards, codes and guidelines applicable to the accounting and auditing professions;
- (b) to strike partnership arrangements between independent African regulators of the accounting and auditing professions and other bodies with interests in independent regulation of the accounting and auditing professions to serve and protect the public interest;
- (c) to learn from and share with other stakeholders in the field, including governments, global standard-setters and other financial sector regulators' goals and objectives, whilst leveraging on the AFIAAR's members' achievements, differences, competencies and different stages of development; and
- (d) to do such things as are necessary to discharge their functions laid down in this Charter.

3. Objectives

The objectives of the AFIAAR shall be -

- (a) to promote the strengthening of independent accounting and auditing regulators in Africa and to promote and support the establishment of such bodies where none exist;
- (b) to promote the recognition of independent African regulators of the accounting and auditing professions in the field of regulation of the professions in Africa and beyond;
- (c) to create a platform for capacity development in the field of regulation of the accounting and auditing professions in Africa;
- (d) to promote and facilitate sharing of knowledge and information of the accounting and auditing environment and practical experience in independent regulatory activities;
- (e) to promote collaboration and establish a common base for regulatory activities on the African continent and promote the mobility of professionals across jurisdictions;
- (f) to share information on standards of education for accountants and auditors to promote high standards of qualifications across the continent;
- (g) to initiate dialogue with governments, policy makers, other regulators and organisations with an interest in the field of accounting and auditing regulation;

- (h) to form common and consistent positions or views of members on issues of importance including but not limited to those issues relating to the international standard setting boards; and
- (i) to do all such things as a cognate to the above.

4. Overarching Principles

In the discharge of the above, the AFIAAR shall abide by the following overarching principles:

- (a) recognising the legal mandates and missions of individual members;
- (b) recognising that the resolutions of the AFIAAR shall be persuasive and not prescriptive;
- (c) working in close cooperation with individual member bodies; and
- (d) operating transparently and openly including the sharing of information, systems, methodologies, processes and resources, subject to rules of confidentiality provided for under clause 5.

5. Confidentiality, Transparency and Accountability

- (a) Members of AFIAAR are bound to keep all internal AFIAAR information confidential, except where such information contravenes national laws in which case, the officers must be notified.
- (b) In keeping information confidential, members shall take reasonable precautions to secure the transmission, filing and storage of information. Where information must be shared with any third party in the course of implementing a task assigned by AFIAAR, said member will bind the recipient with a suitable confidentiality agreement.
- (c) A breach of confidentiality by a member can be dealt with by the officers of the AFIAAR.
- (d) Official spokespersons on behalf of AFIAAR shall be limited to the elected officers and such messages to be shared, shall be agreed upon by officers upfront.

6. Membership

Membership of the AFIAAR shall be open to:

- (a) independent regulators of the accounting and auditing professions and institutes of accountants engaged in regulatory functions;
- (b) bodies responsible for any of the various components of the regulation of the professions of accountants and auditors in a jurisdiction; and

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- (c) any other body which the AFIAAR believes has an interest in its objectives.

7. Election of Officers

- (a) The AFIAAR shall have three officers, a Chairman, a Vice Chairman and an additional member of AFIAAR.
- (b) The AFIAAR shall, at its inaugural meeting, elect a Chairman, a Vice Chairman and an additional member of AFIAAR as officers.
- (c) The terms of office of the first officers shall be for a period of two years.
- (d) The terms of office of subsequent officers shall be decided by the AFIAAR.
- (e) The AFIAAR shall over time review the governance structure and membership.

8. Conduct of Meetings

- (a) The AFIAAR shall meet at least half yearly or as often as the affairs of the AFIAAR require.
- (b) The AFIAAR shall decide its own procedures in such a manner as it thinks fit, including conducting meetings by electronic means.
- (c) The quorum shall be determined by a 50% + 1 of members.
- (d) Members may vote by proxy.
- (e) The AFIAAR decisions shall be made by consensus whenever possible.
- (f) A consensus is deemed to have been achieved when the chairman has determined that there is either unanimous support in favour of adoption of the proposal or, alternatively that there is no objection by any member to such adoption.
- (g) If consensus cannot be reached, a decision may be made by the majority, plus 1.
- (h) AFIAAR shall endeavour to hold meetings on a revolving basis in other jurisdictions.
- (i) Observers may be invited to meetings and activities of the AFIAAR, as the officers shall decide.

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9. Duties of Officers

- (a) The officers shall be responsible for ensuring the provision of secretariat services to AFIAAR.
- (b) The secretariat services will include:
 - i. developing an institutional vision, mission and goals;
 - ii. developing a strategy for the AFIAAR;
 - iii. developing a funding model;
 - iv. deciding priorities of projects;
 - v. performing all routine administrative matters;
 - vi. organising of AFIAAR meetings including the items of the agenda and the keeping of the minutes;
 - vii. communicating internally and externally on all matters relevant to the affairs of AFIAAR;
 - viii. providing of leadership on issues related to this Charter;
 - ix. reporting on the activities of the AFIAAR at the end of each year, as and when required;
 - x. establishing working groups, task groups and other teams, as necessary;
 - xi. preparing and implementing a work plan for AFIAAR; and
 - xii. attending to all such matters related to the above.

10. Advocacy and Stakeholder Engagement

- (a) The officers of the AFIAAR shall strive to establish mutually beneficial relationships with other bodies with an interest in and with shared objectives with the AFIAAR.
- (b) Without prejudice to the generality of the above, the bodies shall include:
 - i. National governments and regional bodies
 - ii. Development partners

- iii. International Forum for Independent Audit Regulators (IFIAR)
- iv. Other regulators in other jurisdictions
- v. The International Federation of Accountants (IFAC), including the International Standard-Setting Boards
- vi. International Accounting Standards Board (IASB)
- vii. Pan-African Federation of Accountants (PAFA)

11. Resources and Funding

- (a) Where invited to a country, the host shall be responsible for providing resources for the meeting directly or indirectly through sponsorship.
- (b) Should sponsorship be sought, the independence of the sponsor should be taken into account.
- (c) The AFIAAR members shall be responsible for their own travel and accommodation arrangements to the meeting venues.
- (d) The officers of the AFIAAR shall be responsible for sourcing seed capital from the donors/development partners for the AFIAAR's activities.

12. Amendments to the Charter

The present Charter may be amended by the vote of two thirds majority of the members.

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13. Signature of Founding Members

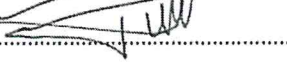
The present Charter is signed by the representatives of the following founding members present:

Botswana represented by
Signature: 

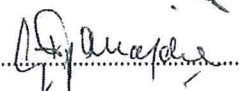
Ethiopia represented by
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Lesotho represented by
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Malawi represented by
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Mauritius represented by
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Mozambique represented by
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Namibia represented by
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South Africa represented by
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Tanzania represented by
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Zambia represented by
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Zimbabwe represented by
Signature: 

Dated: 2 March 2018 at Victoria Falls, Zimbabwe.