

# **AFIAAR STRATEGY**

## **2025 - 2027**

## **AFIAAR STRATEGY 2025- 2027**

### **Context of AFIAAR's strategy challenging and rapidly changing environment, conditions for the success of AFIAAR**

#### **1. Introduction**

This Strategic Plan sets out the strategic direction that AFIAAR will pursue throughout the period beginning January 2025 through to December 2027.

This Strategic Plan has been developed in collaboration with AFIAAR Members who have contributed invaluable perspectives on prevailing global trends relevant to audit and accounting oversight; including emerging developments impacting business models and transaction flows, financial reporting requirements and practices, auditing standards, audit performance quality, professional talent availability and competencies, technology advancements and applications, audit service delivery models, and evolving expectations of investors and other stakeholders .

These factors\* will broadly impact the nature, extent and effectiveness of independent auditing and independent accounting & audit oversight in the years to come and thus are important considerations in determining AFIAAR's future strategic objectives and core strategies.

AFIAAR's new Strategic Plan sets forth a vision for the organisation's future with objectives that remain focused on proactively promoting sustainable improvements in audit quality by advancing the regulatory oversight capabilities of its members and by leveraging its scale to enhance its collective beneficial impact and influence on its various stakeholders, including the Multinational Audit Firm Networks and Associations and the international standards setting boards.

AFIAAR is a member-driven organisation. It will achieve its strategic objectives through the continued collaborative engagement of its members in working groups and task forces, supported by the Secretariat, and overseen by the Officers and AFIAAR Board, with the support of the Chief Executive Officer.

AFIAAR will continue to monitor the evolving global business, audit, and regulatory environment, and adapt its strategic objectives and core strategies as necessary to ensure it continues to fulfil its mission of serving the public interest, including investors, by enhancing accounting and audit oversight in Africa.

The AFIAAR organisation is evolving to better fulfil its mission, including a new pillar on sustainability reporting and assurance, an expanded governance structure, an extended membership, establishment of a secretariat, and new topics in the work plan.

#### **2. Success Factors**

These changes represent a significant expansion of AFIAAR's activities, and they pose new challenges and opportunities for AFIAAR and set new conditions for the success of AFIAAR, including:

- a) attracting sufficient and qualified human resources in a competitive market, for AFIAAR to be able to fulfil its mission.
- b) ensuring sufficient and stable funding for AFIAAR's structure while preserving its independence.
- c) ensuring a sound governance structure that is fit for purpose based on a continuous assessment of potential improvements to AFIAAR's governance.
- d) engaging with a wide range of relevant stakeholders and ensuring proper internal processes and communication to understand the needs and interact with these stakeholders.

AFIAAR envisages to establish a stable secretariat platform of approximately:

- 2 Full time staff, including the CEO.
- 2 Full-Time Equivalent (FTE) in financial reporting and sustainability reporting,
- 2 FTEs in auditing standards and ethics, and
- 2 FTEs in Inspections and Enforcement (of which 50% could be secondments in kind).

## **2. STRATEGIC OVERVIEW**

### **2.1 Vision**

To be an African forum of independent regulators of accountants and auditors, to promote high-quality standards and create a platform for continental sharing of experiences, practices and knowledge of regulators to protect and build trust amongst the public and investors.

### **2.2 Mission**

To save the public interest by facilitating the provision of security and stability for economic investment and build investor confidence by enhancing the effective regulation of the accounting and auditing professions on the continent, with the aim of promoting investment, market integrity, transparency and ethical business practices that conform to evolving international norms, standards, and best practices.

### **2.3 Value Proposition**

Building the capability of accounting and auditing regulators and enhancing the collective impact of the accountancy quality regulatory community in Africa.

AFIAAR is committed to delivering value to its members by providing a forum for them to collaborate, share knowledge and learn about accounting and auditing regulatory practices, experiences, challenges, and developments — helping to advance their oversight capabilities and effectiveness and thereby contributing to sustainable improvements and confidence in accounting and auditing quality in Africa.

While AFIAAR is not a regulator, AFIAAR leverages the collective expertise, experience, and perspectives of its members to inform and influence key stakeholders with an interest in high audit and accounting quality. For example, AFIAAR will regularly engage with and challenge the Multinational Audit Firm Networks and Associations to achieve higher quality audits. AFIAAR will also engage with other key stakeholders — such as national and regional policy

makers, international standard setters and sector regulator associations/ forums, investors, and audit committee members — to learn and understand and to inform and influence.

## 2.4 Objectives of AFIAAR

The objectives of the AFIAAR are to:

- ✓ Strengthen independent accounting and auditing regulators in Africa and support the establishment of these where none exist.
- ✓ Create a platform for capacity development in the field of accounting and auditing regulation in Africa.
- ✓ Facilitate the sharing of knowledge and information in the accounting and auditing environment and share practical experiences with regards to regulatory activities.
- ✓ Promote collaboration and establish a common base for regulatory activities in Africa and promote the mobility of professionals across jurisdictions.
- ✓ Collaborate via memoranda of understanding and agreements with regional institutions and international organisations.
- ✓ Share information on standards of accounting, auditing, ethics, and education, and promote high standards of qualifications in Africa.
- ✓ Establish dialogue with governments, policymakers, other regulators and organisations with an interest in the profession.
- ✓ Develop and communicate views, positions or standpoints that pertain to issues facing the profession on the continent.

## 2.5 Strategic objectives/Focus Areas

The Strategic Focus Areas/ Objectives set forth below are the overarching principles that will guide AFIAAR in advancing its mission and achieving its objectives. These Strategic Focus Area /Objectives (and related Core Strategies) reflect AFIAAR's continued focus on building the capabilities of its members and on being recognized as the leading continental organization on accounting and audit regulation and oversight:

- 1) **Strategic objective 1:** Build member capabilities.
- 2) **Strategic objective 2:** Advocacy and Outreach
- 3) **Strategic Objective 3:** Promote sustainable improvement in quality.
- 4) **Strategic objective 4:** Influence the international standard setting process so that the resulting standards are fit for use in Africa.
- 5) **Strategic Objective 5:** AFIAAR's sustainability- Enhance Organisational Capabilities (Governance, Funding and Administration)

## 2.6 Core Strategies

In order to fulfil this mission, the AFIAAR supports the development of expertise in its members, it fosters sharing of experience and expertise, and it contributes to policy matters involving audit firms and audit quality and influences international standards setting processes.

The following Core Strategies set out the overarching goals on which AFIAAR intends to focus on to further its Strategic Objectives. The core strategies will be implemented throughout

AFIAAR's activities and detailed annually in Work Plans. The Core Strategies and / or activities shall be periodically reviewed and adapted to ensure that AFIAAR is responsive to changes in the environment and the needs of its members and maintains its relevance in enhancing accounting and auditing regulation and oversight in Africa.

#### **The core strategies**

- Harmonising regulatory practices
- Sustained collaboration, sharing expertise and experience between members.
- Further foster effective engagement with relevant stakeholders in the financial and non-financial reporting ecosystem.
- Contributing to policy making via regular dialogue with International Standards Setters.
- Maintain outreach to members as a priority, and secondly, to prospective members.

### **3. The AFIAAR 2025-2027 Strategic Objectives:**

The strategic objectives underpinned by the operating, political and economic landscapes of the continent are discussed in more detail:

#### **3.1 Strategic Focus Area 1: Building member capabilities.**

AFIAAR's focus on building member capabilities provides significant value to its members. AFIAAR will continue to place emphasis on providing forums for Members to collaborate and share knowledge with and learn from one another and others in the financial and non-financial reporting ecosystem.

AFIAAR will continue to facilitate and support substantive exchange and sharing of practices, experiences, ideas, and perspectives among its members, and encourage Members to interact and engage more in AFIAAR's work. By assisting Members to build their capabilities, AFIAAR fosters improvement in the quality and consistency of accounting and auditing regulators, thereby delivering on its mission.

This is exemplified through commencement of annual inspection workshops which will be hosted by AFIAAR Members. Similarly, the introduction of enforcement workshops will add to AFIAAR's portfolio of activities to shape harmonisation of practices and support the strengthening of Members' regulatory effectiveness.

Data and knowledge management will facilitate the gathering, analysis and dissemination/sharing of regulatory information between members. In the context of the AFIAAR, relevant information is an essential part of formulating informed decisions on regulatory and policy reforms. This will ensure effective collaboration between members and also provide clarity on required regulatory interventions or policy reforms for certain jurisdictions.

African countries are at various stages of adoption and implementation of international accounting and auditing standards, and there is clearly a significant unmet need for an

enduring, centralized, competent, and adequately funded source of technical advice and assistance, available to all African countries seeking to implement independent accounting and audit oversight.

There is a need to develop basic legal frameworks, regulations, and institutions to oversee auditing of financial statements of public interest entities, including the financial sector, to help promote investor and lender confidence, and to facilitate integration into the regional economy. Training, advice, and capacity development are critical to the success of these bodies. AFIAAR functions as a centralised source to efficiently develop, accumulate, and disseminate tools and knowledge of good practices for the implementation and operation of robust accounting and auditing oversight systems, with a focus on tackling the challenging environments seen in many African countries.

AFIAAR was established as a capacity development body similar to the Intosai Development Initiative (IDI) to help with building the capacity of recently established accounting and auditing oversight boards in African countries.

### **Objectives**

- ✓ Establish platforms for data and knowledge management and information exchange.
- ✓ Establish the status of regulatory legislation across the continent.
- ✓ Establish centralised source to efficiently develop, accumulate, and disseminate tools and knowledge of good practices for implementation and operation of audit oversight systems, with a focus on tackling the challenging environments seen in many African countries.

### **Key activities**

- ✓ Establish a Market Intelligence Working Group.
- ✓ Establish an audit oversight capability development initiative.
- ✓ Enter into memoranda of understanding.
- ✓ Gather comparative data on regulatory roles and powers among the members.
- ✓ Assist with building the capacity of recently established audit oversight boards in African countries.
- ✓ Assist with training, advice, and capacity development.
- ✓ Establish an interactive website.
- ✓ Exchange programs.

### **Measurable indicators**

- ✓ Information exchange between members.
- ✓ Existence of a maturity model for regulators in Africa.

### **3.2 Strategic Focus Area 2: Advocacy and Outreach**

AFIAAR is a member-driven forum in which accounting and auditing regulators come together to share expertise, experience, and perspectives in order to enhance the effectiveness and impact of the accounting and auditing regulatory community.

Public supervision requires the organisations to which it is entrusted to exchange with the various stakeholders in order to refine their understanding of information needs, to better appreciate the impact of normative or regulatory developments, to identify emerging risks and, thanks to this, to adapt the supervision of the supervised entities or persons. The AFIAAR, fulfilling its mission to harmonise and optimise the effectiveness of accounting and auditing regulation in Africa, organises exchanges with different stakeholders during its plenary meetings.

As a collective, AFIAAR gives its members a broader platform and more prominent voice in establishing expectations and in educating and influencing key stakeholders. AFIAAR's timely and visible engagement on topics relevant to effective accounting and audit oversight will reinforce the importance of AFIAAR's mission and establish AFIAAR's reputation as a leading, relevant regional organisation.

The extent of AFIAAR's collective impact depends in part on the scale and breadth of its membership. Therefore, AFIAAR should be viewed as an effective organization that delivers value in order to retain and attract accounting and auditing regulators as Members.

Members are the lifeblood of the AFIAAR. While the organisation currently has 14 members, there is considerable potential to expand the membership to include jurisdictions with an interest to move to independent oversight and those seeking to move from self-regulation by a Professional Accountancy Organisation (PAO) to independent regulation. The strategic objective of growing the membership is prompted by a desire to impact accounting and audit quality across the continent in order to protect the investing public.

AFIAAR places a high value on the input obtained from its stakeholders across the board. Stakeholders bring unique and important perspectives, in particular with respect to the AFIAAR's information gathering efforts on new projects or initiatives.

#### **Objectives**

- ✓ Advocate independent oversight and a strengthened regulatory environment in African states.
- ✓ Raise awareness of the AFIAAR and independent accounting and audit regulation.
- ✓ Grow the membership.

#### **Key activities**

- ✓ Develop a stakeholder engagement and communication plan.
- ✓ Develop an outreach plan.
- ✓ Develop a communications and media relations plan.
- ✓ Develop a user-friendly website.

## **Measurable indicators**

- ✓ Increase in member jurisdictions.
- ✓ Being recognised by major stakeholders (Policy makers, Donors, International standards setters, other sector regulators, PAOs, audit firms, etc.).

### **3.3 Strategic Focus Area 3: Promote sustainable improvement in Audit Quality**

While AFIAAR is not a regulator, and cannot itself mandate or enforce audit quality, AFIAAR makes important contributions to improved audit quality in several ways.

AFIAAR's ethos is to enhance audit quality. Therefore, the attainment of this will lead to a significant improvement in audit quality on the continent and also attest to the AFIAAR's impact and influence. It is, however, noted that audit quality is principally the domain of the firms, while the consequences of improvement occur at a country level. AFIAAR's role, though, will significantly focus the attention of network firm leadership on inspections results and the overall audit quality imperative.

AFIAAR's greatest contribution to audit quality is by helping its members be more consistently capable and effective in overseeing audits in their local jurisdictions.

In addition, AFIAAR promotes sustainable improvement in high audit quality through engagement with key stakeholders responsible for or with a direct interest in audit quality, including the Multinational Audit Firm Networks and Associations, regional sector regulators and international standard setters, investors, and others. Through such engagement, AFIAAR is able to set expectations regarding audit quality and provide insights and recommendations to stakeholders with audit quality accountabilities.

For example, regular contact and dialogue are to be fostered with the Multinational Audit Firm Networks and Associations at the regional executive and assurance leadership levels to understand the largest networks' collective impact of the audit regulatory community quality improvement initiatives, and to reinforce AFIAAR Members' expectations for continuous audit quality improvement.

## **Objectives**

- ✓ Improve audit quality.
- ✓ Guide members on using root cause analyses and remedial action processes to improve audit quality and drive compliance with standards.
- ✓ Collate inspections findings and feed this back into the international standard-setting process.
- ✓ Share best practices on enforcement by regulators through investigations and sanctions.
- ✓ Drive appropriate sanctions to change behaviour and improve quality.

### **Key activities/output**

- ✓ Establish an Inspections Working Group.
- ✓ Harmonise inspections and enforcement methodologies across member jurisdictions (regulatory approaches).
- ✓ Collaborate on remedial actions across the region.
- ✓ Harmonise training of inspectors.
- ✓ Conduct annual inspection workshops.

### **Measurable indicators**

- ✓ Report on regional inspections results, remedial actions and investigation findings and sanctions.
- ✓ Coordinate input from national standard-setters and regulators in Africa so that comments on exposure drafts issued by international standard-setting bodies are submitted collectively through and by the AFIAAR.

### **3.4: Strategic Objective 4: Influence the international standard setting process so that the resulting standards are fit for use in Africa**

In order to meet the overall objective of being Africa's voice in corporate reporting and to further develop its thought leadership in corporate reporting, AFIAAR will seek to actively engage and influence the IASB/IAASB/IESBA/ISSB standard setting process and collaborate and engage with National Standard Setters and relevant international counterparts on its positions.

This collaboration will ensure that the African views are taken into account in the international standard setting process and contributes to the development of Standards that are fit for use in Africa.

AFIAAR to submit comment letters respecting its due process on exposure drafts and requests for information by the international standards setting bodies to contribute to the international standard setting process with an aim to amplify Africa's voice.

### **3.5) Strategic Objective 5: AFIAAR's sustainability- Enhance Organisational Capabilities Governance, Funding and Administration as conditions for AFIAAR's Work.**

To optimize the impact of the Strategic Plan 2024-2026, we will develop several organisational enablers within AFIAAR. The planned organisational developments will position AFIAAR as a leader in Africa as a cutting-edge regulatory capacity-development organisation. The organisational enablers include Investment in People; Systems and Processes; Technology; Partnerships; Innovation; Communication; and Impact Measurement.

#### **3.5.1 Ensure proper funding while remaining independent.**

- a) AFIAAR is a publicly and privately funded organisation, a public-private partnership, where the member Organisations provides the public sector funding, which is the primary source of funding, and partner organisations provide the private sector funding.

- b) AFIAAR through its Governance Board / Officers actively seeks to be a solid high-quality organisation. This includes securing sufficient funding in order to preserve long-term funding stability and guarantee the feasibility of fulfilling its mandate as per its Charter.
- c) AFIAAR is committed to responding to the challenges that arise from the new demands on accounting and auditing regulation including standards setting but remains limited in its ability to do so unless there is sufficient funding. In particular, AFIAAR will be seeking:
  - 1) opportunities for grant funding.
  - 2) new member organisations at national level (i.e., countries - national standard setters) amongst African countries to expand the geographical coverage of AFIAAR and be representative of Africa; as part of this process, AFIAAR will be seeking to broaden its membership in those parts of the AU not yet well presented.
  - 3) subsidies /grant funding from member bodies government (s) including donor funding.
  - 4) developing the official supporters of AFIAAR funding model and possible funding through charities.
  - 5) other funding activities.
- d) AFIAAR needs to remain independent from those that provide funding, and this is achieved through the diverse composition of its structures and rigorous governance, ensuring that no single funding group dominates the decision-making process.
- e) Finally, AFIAAR proactively communicates the importance of obtaining adequate funding and resources, how entities can contribute, and the different forms of contribution and memberships and their related benefits. Such information will be publicly available on AFIAAR's website.

### **3.5.2 Ensure AFIAAR is an attractive organisation to work for and has sufficient human resources.**

- f) AFIAAR should be competitive and representative in the recruitment market in terms of remuneration and career development perspective.
- g) AFIAAR should offer an attractive and inclusive working environment and aim at ensuring an adequate number of human resources to achieve a reasonable workload and an appropriate work-life balance while maintaining accountability.
- h) AFIAAR should also develop a robust career development policy with the objective of providing opportunities for the AFIAAR Secretariat to progress in their careers.

### **3.5.3 Ensure AFIAAR's governance and due process is fit for AFIAAR's mission.**

- i) AFIAAR aims to be a high-reputation organisation that is well-managed, cost-effective, transparent, independent and to be a key enabler of a sustainable and attractive place to work.
- j) The AFIAAR Governance Board ensures effective oversight over AFIAAR's governance, governance activities and a robust due process.
- k) AFIAAR continues to strengthen its governance and its capacity to execute. This is achieved by ensuring that the implemented structure works well and planning a post-

implementation review of the governance to assess which elements of AFIAAR's governance structure work well or less well and whether and where changes are needed.

- l) Successful implementation of this Strategic Plan will require accountability at all levels as well as effective systems and processes. We will conduct a business process engineering exercise to improve our productivity, quality, efficiency and effectiveness. We will develop a robust digital platform to ensure all major processes are fully automated to further enhance productivity and reliability.

#### **3.5.4 Ensure AFIAAR's administration is fit for AFIAAR's mission.**

- m) AFIAAR's administration to inform strategic underpinning functions which support the delivery of AFIAAR's objectives through strong governance, project and portfolio management, and impactful and influential stakeholder engagement and communications.
- n) Support AFIAAR's governance framework with a high-quality secretariat.
- o) Embed enhanced leadership capabilities and more innovative project management discipline across AFIAAR. AFIAAR will be seeking deliverables including:
  - 1) Leading on a high-level strategy from 2025 onwards.
  - 2) Delivering appropriate organisation reporting of AFIAAR's performance.
  - 3) Executing improvements to AFIAAR's governance approach, including through taking forward actions from board performance reviews, and enhancing opportunities for members and advisors to contribute their skills.
  - 4) Delivering a focused yet impactful, integrated stakeholder engagement, public affairs, and communications programme.

#### **3.5.5 Ensure AFIAAR's communication is fit for AFIAAR's mission**

- p) We recognise that public awareness of our work, especially of the results achieved, and regular engagement of our partners are critical ingredients for successful implementation of this Strategic Plan. This entails disseminating accurate and timely information on our operations using multiple communication channels.
- q) Our communications effort will not only showcase what makes AFIAAR unique and the results it has achieved but also articulate what we will do to support our member countries according to their current and emerging regulatory challenges.
- r) A Stakeholder Engagement and Communications Strategy will be developed to support the implementation of this Strategic Plan. It will target specific audiences with tailored messaging, identifying what they need from us, what we need from them and the challenges which might impact on the relationships.

#### **3.5.6 Impact Measurement**

We will develop robust impact measurement processes in all our programs to ensure that we capture real change in people's lives as a result of our work, beyond nominal outputs. This will mean clearly capturing the outcomes of the implementation of the Strategic Plan by identifying the people who experience change, its importance to them and the lessons learned in terms of replicability.

### 3.5.7 Achieving Our Objectives

AFIAAR will develop an annual Operating Plan setting forth specific programs, activities and work stream initiatives linked to the specific Strategic Objectives and Core Strategies of the Strategic Plan. The Operating Plan will be reviewed and approved by the AFIAAR Board/Officers. The programs, activities and work stream initiatives will be implemented through collaborative engagement of Members in Working Groups and Task Forces, with support from the Chief Executive Officer and Secretariat and oversight by the Officers and Board. The Officers and Board, with assistance from the Chief Executive Officer and Secretariat, will monitor progress against the Strategic Plan to help ensure AFIAAR continues to fulfil its mission while maintaining accountability.

### 4. Funding Model:

Our revenue model reflects the potential universe of funding accessible to our organization and the strategic decisions for preserving, increasing, and expanding our revenue streams. We will implement a “Mix of Revenue Sources Model” to finance this Strategic Plan. This means assessing all acceptable sources of revenue, including the following:

- **Membership Fee** – AFIAAR is a membership-based institution and, as such, should be primarily sustained by its members. This Strategic Plan will explore the introduction of a mandatory annual membership fee to be approved by the members.
- **Additional Contributions by members/** – Members make contributions to implement the Strategic Plan in addition to the membership fee.
- **Grants from Donors, Governments, REC’s and Partners /Supporters-** Partners interested in cooperating with us make grants either in the form of flexible resources or resources tied to the implementation of specific programs/ projects.
- **Resources from Calls for Proposals** - We will proactively research and respond to calls for proposals aligned with our key impact areas.
- **Internally generated resources:**  
AFIAAR could come up with a training and certification programme for reviewers. This will be complemented by the annual inspections workshop for Africa and other CPD events such as conferences hosted jointly with the international standards setting bodies like IAASB, ISSB etc.
- **Fee for Service** – Through direct awards or competitive bidding, we implement programs and projects on behalf of institutions in areas compatible with our key impact areas. AFIAAR is also uniquely positioned to help deliver the institutional development components of larger projects financed by international financial institutions or donors.
- **Supporters of AFIAAR** - While AFIAAR membership is restricted to independent regulators, PAOs that have standards setting and Audit Oversight mandates and national standards setters, an Official Supporter status is proposed for other organisations and market participants who have an interest in enhancing accountancy quality in Africa, and who wish to support AFIAAR’s mission in this regard. There would be two categories of official supporters: Major Projects Supporters and Mission Supporters.

Official Supporters recognize that the contributions enable the AFIAAR to continue to provide members, regulators and other key stakeholders and policy makers the technical assistance, tools and expertise required to meet accountancy quality objectives.

- **Major project Supporters** - With set annual contributions of over USD 25,000, these are organisations that wish to support a specific workstream of AFIAAR, funding a whole project or major parts of it, and help the AFIAAR to deliver no cost services and assistance to accounting and auditing regulatory bodies and policy makers in Africa. Donations of this type ensure that the AFIAAR can provide in-depth analysis and research as well as high-quality technical assistance, templates, and training on selected topics.
- **Mission Supporters** - With set annual contributions of USD 5,000, these are organisations that help to ensure that the AFIAAR can continue to operate and provide no-cost services and assistance to its growing members, in the public interest. In aggregate, Mission Supporters provide a secondary base for the AFIAAR's operations: they ensure that resources are available for core functions such as staffing, bilateral advisory services, database maintenance, ongoing projects, and annual events.

## 5. Our Business Model

### 6.1 The Service Offering Concept

Under this strategy, AFIAAR will adopt an approach and package its support and tools into three client-facing services: one for human capital development, the second for institutional building/strengthening and the third for knowledge collection, generation and sharing. We define a service offering as a package of tools made available to an institution or an individual to support the fulfilment of their capability development goals.

The service offering will be delivered in a way that maximizes impact. The combination of tools to be used to deliver the service will be determined based on a capacity needs assessment.

Our business model has four core elements: who we support; our service offering; our revenue model; and our unique strategic position.

### 5.2 Unique Product Offerings and Brand

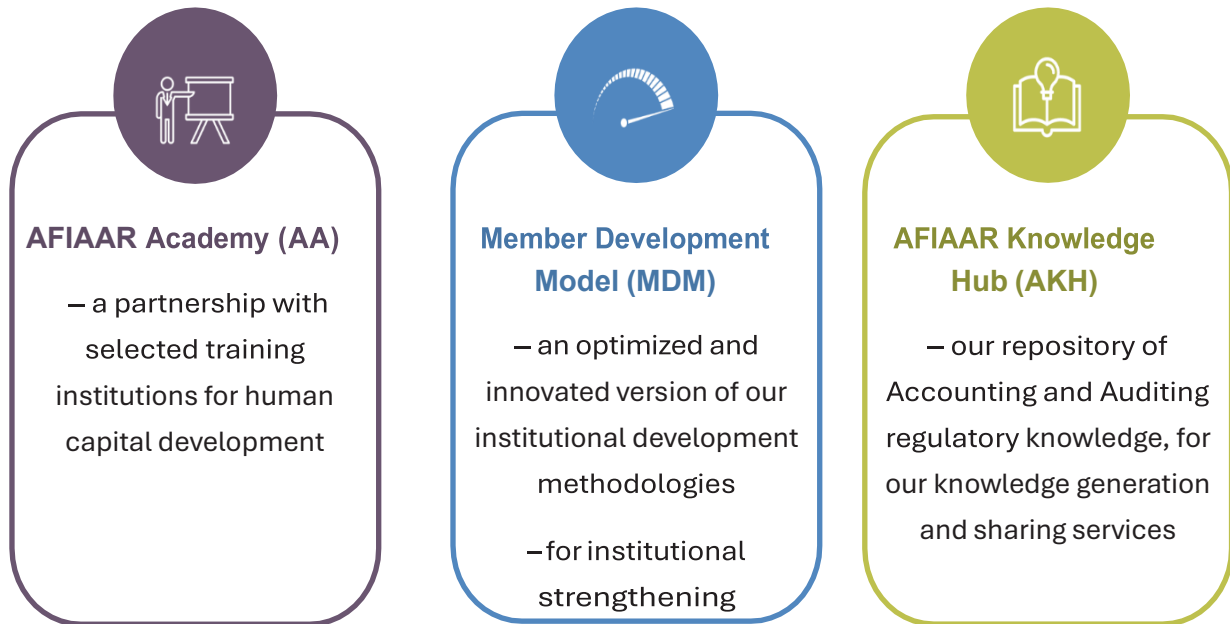
Our unique product offering will consist of three elements, as described below. Our unique brand will consist in a high-impact approach through which we will communicate clearly, strategically and consistently. We will optimise this brand by refining its methodology for regulatory capacity development to make it instantly recognisable and a synonym of compliance with the highest professional standards.

### 5.3 Who we support

To improve their capacity to deliver sustainable results, we support accounting and auditing regulators in human capital development and institutional strengthening at country, as well as in regional and continental levels.

### 5.4 Our Service Offering

The implementation of this Strategic Plan will use three unique components:



### 1) Institutional Strengthening – Member Development Model

For impactful support, we will offer a unique product that will target institutions in each of the four key impact areas. This unique product, the Member Development Model (MDM), will be provided to selected institutions over a period of 1-5 years. The MDM will have a standardized approach, a dedicated methodology, supporting materials and guides. It will be demand driven so it can flexibly cater to the target member institution's various and evolving needs. The MDM will be fully designed and launched during this Strategy period.

### 2) Human Capital Development – The AFIAAR Academy

The second component of our unique product offering is the AFIAAR Academy to support human capital development. This modality will make accessible high calibre short courses for the staff of the member institutions. We will conduct a design-scoping exercise for this component during the first year of implementation of the Strategic Plan. The AFIAAR Academy will provide courses in areas where there is a gap, for example, in Inspections/Quality Assurance Reviews and in enforcement. We will launch the AFIAAR Academy to focus on hard and soft skills development.

The AFIAAR Academy does not require physical premises owned by our institution. We will identify capacity development needs of our members and partner with existing training institutions.

### 3) Knowledge Generation and Sharing – The AFIAAR Knowledge Hub

The third component of our unique offering, the AFIAAR Knowledge Hub, collects and generates knowledge on accounting and auditing regulation that will be available (for a fee) to all capacity-building institutions in Africa.

For our knowledge generation and sharing services, there will be the AFIAAR Knowledge Hub. The Knowledge Hub will encourage individuals to innovate and promote the cultural changes required for their organizations to meet growing institutional needs. The services consist in generating or collecting good practices on a global scale and sharing them with people and institutions in Africa.

The Knowledge Hub will also serve as a source of experience sharing and guidance on replication and scaling.

## **5.5 Partnerships**

Partnership will be a key implementation approach for this Strategic Plan. We will set clear expectations for each of our partnerships and ensure a strong connection with partner institutions in delivering in our key impact areas. We will consider our partners as part of our team and leverage potential on both sides to achieve success and scale. Our aim is to develop partnerships that are compatible with our key impact areas while developing and nurturing new ones.

In principle, we categorize partners in three types depending on the nature of the relationship:

- **Funding Partners** – partners who entrust us with their financial resources to implement our strategies and programs; we deliver value for money to these partners through effective implementation and regular reporting on results.
- **Technical Partners** – partners with which we work towards achieving common goals and scaled results. These partners may lead on core technical issues, with AFIAAR supporting them with institutional strengthening efforts and capacity building in the four impact areas. One or two such partners will be engaged in each impact area and for each tool.
- **Implementing Partners** - these are organisations that will assist AFIAAR in delivering the Institutional Accelerator Model, the AFIAAR Academy, the tools, the mainstreaming of the cross-cutting issues, and in particular the scaling up of the outreach through local and regional partners. A partner can fit into more than one of these categories. We will also group partners by geography: global, continental, regional, and national organisations.

## **6. STRATEGY DELIVERY MODALITIES**

### **6.1 Member Strengthening**

For impactful support, we will offer a unique product that will target institutions in each of the four focus areas. This unique product, the Member Development Model (MDM), will be provided to selected members over a period of 1-5 years. The MDM will have a standardized approach, a dedicated methodology, supporting materials and guides. It will be demand driven so it can flexibly cater to the target institution's various and evolving needs. The MDM will be fully designed by the end of this Strategy period.

**The MDM will be delivered in four phases:**

- 1) Scoping Phase: exchanges with the target institutions to understand their institutional strengthening needs and challenges. Duration: 1-2 months.

- 2) Initial Support Phase: application of one of the tools from our toolkit. Duration: 6-9 months.
- 3) Feedback Phase: exchanges with the target institution on what is working, what is not working, and what else can be done to support. Duration: 6-12 months.
- 4) Deepening of Support Phase: scale up to full support for a period of between 6 and 42 more months. The degree of scale-up will depend on the need.

**Our support will be offered using a tiered approach:**

- 1) Advanced Support: a 3-5-year institution building support program along the full MDM methodology and most of the tools in our toolkit.
- 2) Intermediate Support: a 2-3-year institution-building program along the full MDM methodology and a selected number of our tools.
- 3) Basic Support: a needs assessment and initial support, which could range from short-term training to up to one year of support with one of our tools. The assessment may not be necessary if the target institution clearly identifies its needs.

**6.2. The AFIAAR Academy - Human Capital Development**

The second component of our unique product offering is the African Forum of Independent Accounting and Auditing Regulators Academy (AFIAAR Academy) to support human capital development. This modality will make accessible high calibre training for the staff of the member institutions. The AFIAA Academy will provide training in the core/common areas where there is a gap, for example, in quality assurance reviews/inspections, and enforcement.

**6.3. Knowledge Generation and Sharing**

The third component of our unique offering, the African Forum of Independent Accounting and Auditing Regulators Knowledge Hub (AFIAAR-Knowledge Hub), collects and generates knowledge on accountancy quality development that will be available to members for free and (for a fee) to all accounting and auditing institutions in Africa.

**6.4. Prioritisation**

This section applies to the MDM only, given that the AFIAAR Academy is open to all African people and institutions. Given resource restrictions and the need to ensure and scale impact, members will receive differentiated levels of support using a tiered approach:

**Tier 1: Maximum Impact Members**

- a) We will proactively select up to 4- 6 countries to maximize impact.
- b) In each of these countries, we will adopt an ecosystem approach by targeting to support two impact/focus areas and apply the Advanced MDM level over several years in the area most critical to the institution.
- c) The Intermediate and Basic MDM levels will be applied in other institutions within an ecosystem around an impact area.
- d) We will aim to support member capability development in more than one impact/focus area and promote the AFIAAR Academy. These countries need to contribute to project costs and, can be supported by development partners.

## **Tier 2: Other Members**

- a) This support will be entirely demand driven.
- b) It will only support one impact area, unless there is a compelling case for adopting an ecosystem approach.
- c) In addition to our MDM service, we will work with relevant partners to jointly support member bodies

## **Tier 3: Non-Members**

- a) This support will be entirely demand-driven and fully funded by the requesting country.
- b) In addition to countries, our support will also be available to regional institutions that play a critical role in the four impact areas.

The prioritisation will be based on the criteria included below.

## **Our Country Prioritisation Criteria**

- 1) Is the country prioritising this impact area at the highest level of government?
- 2) Does the member body have a robust plan in this impact area supported by legislation?
- 3) Does the member body have pressing capacity constraints that may impede its progress in the impact area?
- 4) Is demand for AFIAAR strong?
- 5) Can we ensure sufficient resources for adequate support through flexible or country-specific funding sources?
- 6) Is there a regional benefit to supporting neighbouring countries in the same impact area?
- 7) Are we already operating in another impact area in that country, or are soon likely to, and might there be economies of scale, synergies or benefits from starting in another impact area and deepening our relationship with the country.

## **7. ORGANISATIONAL ENABLERS**

To optimize the impact of the Strategic Plan 2025-2027, we will strengthen several organisational enablers within AFIAAR. The planned organizational enhancements will consolidate AFIAAR's leadership in Africa as a cutting-edge specialist forum. The organisational enablers include Investment in People; Systems and Processes; Partnerships; Innovation; Communication; and Impact Measurement

### **7.1. Investment in People**

The effective delivery of this Strategic Plan will require six dedicated Program working groups, namely:

- a) Three dedicated Working groups, one for each of the three key focus areas.
- b) The Officers dedicate to Advocacy, Resource Mobilisation and Research and Development, and will be responsible for the tools and the products offered as well as the overall advancement of our innovation processes, including the continued adaptation of our services to the changing needs of our member bodies.

The working groups will be supported by the secretariat and a strong business management environment. Therefore, the effective implementation of the Strategic Plan will require a good mix of talents and experience. As a knowledge-based organisation, our main asset is our people. Our strategic approach to human resources and talent management is to ensure that our staff and volunteers are motivated and empowered.

## **7.2. Systems and Processes**

Successful implementation of this Strategic Plan will require accountability at all levels as well as effective systems and processes. We will conduct a business process reengineering exercise to improve our productivity, quality, efficiency and effectiveness. The process will involve an analysis of workflow, identifying inefficient processes and redesigning or replacing them to improve organizational performance. We will develop our digital platform to ensure all major processes are fully automated to further enhance productivity and reliability.

## **7.3. Partnerships**

We will set clear expectations for each of our partnerships and ensure a strong connection with partner institutions in delivering in our key focus/impact areas. We will consider our partners as part of our team and leverage potential on both sides to achieve success and scale. Our aim is to strengthen current partnerships that are compatible with our key focus / impact areas while developing and nurturing new ones.

## **7.4. Communications**

We recognise that public awareness of our work, especially of the results achieved, and regular engagement of our members and partners are critical ingredients for successful implementation of this Strategic Plan. This entails disseminating accurate and timely information on our operations using multiple communication channels. Our communications effort will not only showcase what makes AFIAAR relevant and the results it has achieved so far but also articulate what we will do to support African countries according to their current and emerging accounting and auditing regulatory frameworks and structures. A Branding and Communications plan will be developed to support the implementation of this Strategic Plan. It will target specific audiences with tailored messaging.

## **7.5. Impact Measurement**

We will implement impact measurement in all our programs to ensure that we capture real impact, in the public interest, as a result of our work. This will mean clearly capturing the outcomes of the implementation of the Strategic Plan by identifying the people who experience change, its importance to them and the lessons learned in terms of replicability.

## **8. MONITORING, EVALUATION AND LEARNING**

Effective monitoring, evaluation, and learning (MEL) are key to sound results management, informed decision making, and efficient use of resources.

Implementation of the Strategic Plan 2024-2026 will be monitored through a mechanism that tracks, generates and assesses timely and reliable information to ensure evidence-based management at all levels. Periodic assessments of the Strategy's performance will enable us to act swiftly and effectively for the delivery of desired results.

The primary role of AFIAAR's MEL mechanism is, therefore, to help answer key strategic questions that are critical for measuring AFIAAR's contribution to Africa's transformation ecosystem. In particular, this means the extent to which AFIAAR has strengthened member institutions and systems and built their resilience; and the quality of support provided to enhance the regulation of accounting and auditing in Africa.

The Strategic Plan will apply best practices to review results accountability and tracking of outputs. The Strategy Monitoring, Evaluation, and Learning (MEL) will include the following aspects:

- **Annual Internal Strategy Performance Review:** Regular monitoring will be conducted during the implementation of the Strategic Plan by analysing delivery against planned outputs and continued tracking of primary-result indicators.

AFIAAR's Annual Workplans Plan will be used as the basis for conducting the strategy monitoring, given its function as the key instrument for operationalizing the Strategic Plan. The monitoring findings, including lessons learned, will be consolidated into a strategy performance review report to be produced annually.

- **Independent Mid-term Review of the Strategy:** A rigorous midway assessment will be conducted during the implementation of the Strategic Plan to evaluate the progress made so far in terms of performance and identify areas of improvement for the next half-period of the Strategy. The findings of the mid-term review, including the lessons learned, will guide strategic, operational and programmatic decisions and inform further refinement.
- **Independent Final Evaluation of the Strategy:** An independent and objective evaluation will be undertaken at the end of the Strategic Plan period to assess the extent of achievement of the operational targets and strategic contributions made by AFIAAR towards Africa's transformation ecosystem. The design and execution of the Strategy's final evaluation will be guided by and respond to international standards and best practices. The evaluation findings and key lessons drawn from the implementation will be used for various purposes, including accountability, learning, value addition, and prospective work.

## 9. Risk Management

There are several potential risks to implementing this Strategic Plan, including the adequacy and predictability of financial resources and human resource capacity constraints. Therefore, risk must be regularly assessed to allow for mitigating measures to be taken in good time. As a first step, we have identified the key strategic risks, as presented in the matrix below. Following this, our priority is to ensure that improvement and mitigation plans are continuously developed to respond to risks that may arise. Successful enterprise risk management will increase the probability of achieving our objectives. Our risk management matrix is detailed in appendix 1:

## Appendix 1

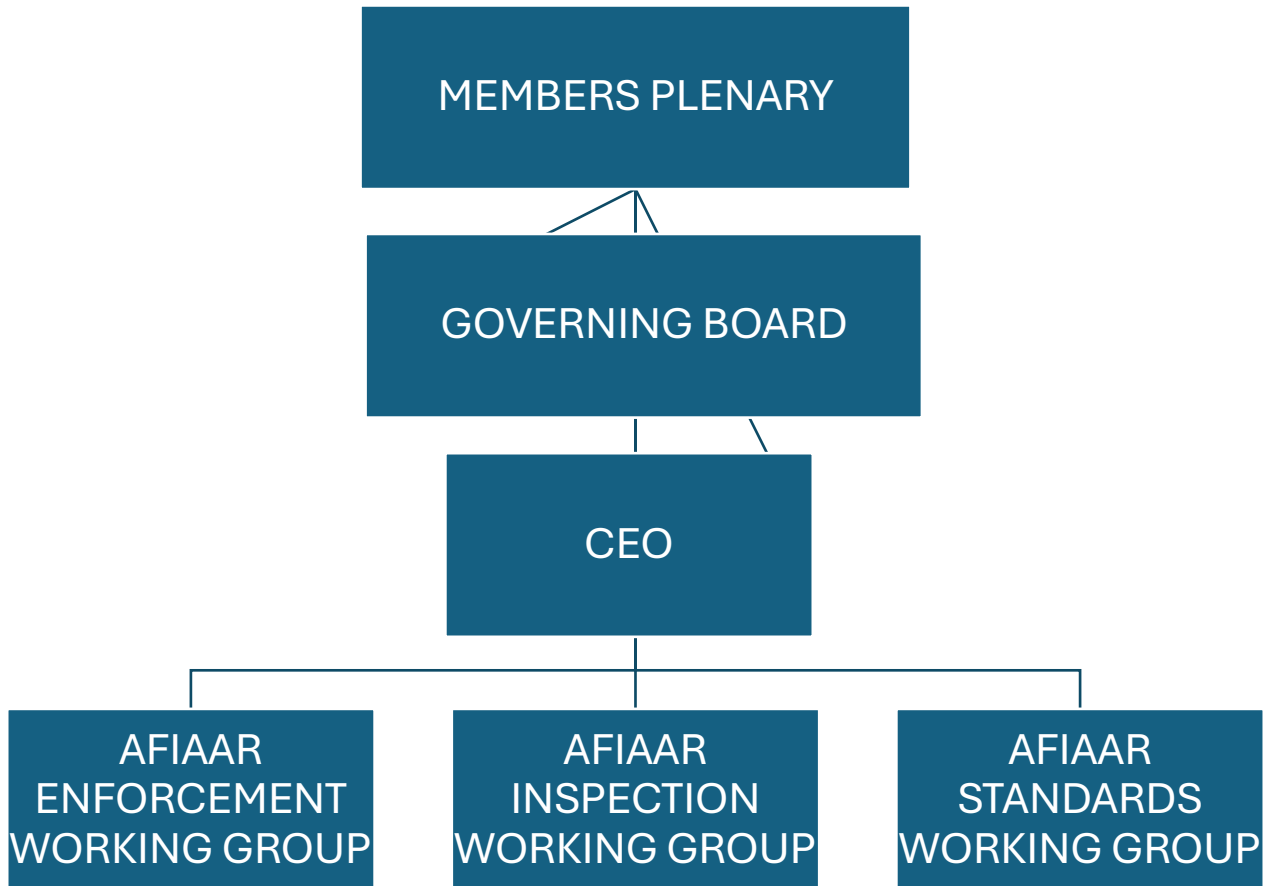
Risk Type	Description (Examples)	Likelihood (H, M, L)	Impact (H, M, L)	Proposed Mitigation
Governance	Good governance is critical to the success of any organisation. This involves a well operating governance structure that facilitates oversight and implementation of policies and regulations to create value for stakeholders. AFIAAR faces the following governance risks: <i>Lack of quality governance; poor oversight over risk; Change in leadership of partner organisations or members; conflict of interest.</i>	Medium	High	Enhance the governance arrangements in accordance with the AFIAAR Charter.  Innovate/ Invent solutions to address each of the specific risks listed. Take steps to ensure that AFIAAR continues to be governed in accordance with the Charter and good governance best practices.
Funding	AFIAAR requires funding to set up its infrastructure and have people in place to deliver services and in turn commence sustainable self-generation of revenue from its programmes. We face the following immediate, short term and medium-term funding risks: <i>In-sufficient funding; lack of a sustainable funding model; Regulatory risk; 3<sup>rd</sup> party risk; Credit risk; Fraud; etc</i>	H	H	Have a proactive and actionable funding raising plan; establish processes and mechanisms to address resource efficiency and fundraising. The AFIAAR staff will ensure that the fundraising plan is successfully executed to provide both an economic lifeline as well as economic insurance for the AFIAAR programmes.
Global Challenges and Funding Partner Fatigue	The current global tensions (Russia-Ukraine war, inflation, post COVID-19 challenges) may affect funding partners' ability to fund the implementation of Strategic Plan 2024-2026	H	H	This risk will be mitigated through adequate planning, effective engagement of partners, a robust system to account for results, and effective communication to give funding partners value for money
Limited Capacity to implement the strategy	This risk emanates from the mismatch between the strategic aspirations and new areas of focus against the existing internal capacity of AFIAAR (human resources, organizational structure, skills, ICT platform, etc) We face the following people risks; Under-staffing against high service demands from stakeholders; Mismatched roles or wrong hires; staff burn-out and high turnover; succession risks; lack of diversity and inclusion; etc	H	H	A comprehensive Administrative and Human Resources Strategy will accompany the Strategic Plan, including working with members, HR Experts and partners in terms of access to skills and recruiting the right people

Mandate drift	Some funding partners may emphasise areas for support that are not aligned with AFIAAR's strategic priorities. If they succeed, this may lead to mandate drift, which will compromise the delivery of activities in the selected key impact areas.	L	L	AFIAAR will stick to its strategic priorities since they derive from Africa's stated priorities, while continuing to consider special complementary programs accompanied by project staff.
Relevance to Stakeholders	Stakeholder value creation: engagement and communication are critical elements that drive productivity and success of AFIAAR. We face the following stakeholder risks: Poor communication strategy with stakeholders; non supportive stakeholders; misunderstanding by stakeholders about AFIAAR's role and value: Delayed or lack of recognition of AFIAAR within countries; poor customer service by AFIAAR; Funding challenges leading to minimal advocacy for uptake in countries; Reputational damage to the AFIAAR Brand; Resistance to change; contractor or supplier quality problems and delays; etc	H	H	Review and implement the stakeholder engagement plan; audit processes and bridge existing process gaps; enforce processes and agreed strategies. The API will ensure its programmes maintain relevance and evolve to continue meeting the changing needs of the African public sector to avoid becoming obsolete. Innovate/ invent solutions to address each of the specific risks listed.  Innovate/ invent solutions to address each of the specific risks listed.
Regulatory and compliance	The regulatory environment could change and either have beneficial or negative effects on AFIAAR's initiatives. The following risks may affect the AFIAAR: <i>Change of laws/ government regulations impacting AFIAAR negatively; failure of compliance with regulations in AFIAAR host country(s); Incomplete or erroneous regulatory filings by AFIAAR; customer complaints about violated rights etc</i>	M	H	Audit processes and address identified process gaps for regulatory compliance; implement/ enforce the processes fully.  Innovate/ invent solutions to address each of the specific risks listed.
Environmental	Business Environment factors can have significant impact on an organisation's progress. The following risks could apply to AFIAAR's success or progress: <i>Climate change; natural disasters; regulatory changes; political changes within countries etc</i>	M	H	Identify actionable steps to mitigate environmental risks; establish processes for the implementation of the steps.  Innovate/ invent solutions to address each of the specific risks listed.

## Appendix 2: Environmental Factors

- ❖ Business and Geo-Political Environment.
  - Prevailing environmental concerns in the community and business, and the impact on auditor responsibilities and firm resilience.
  - Evolving international trends (nationalism vs globalisation, long-term impacts of COVID-19 on business practices, budget cuts, etc.) and their implications for ongoing international coordination and cooperation for Members to fulfil their regulatory mandates e.g. in obtaining timely access to information for inspections or enforcement measures.
  - Continuity of operations and going concern environmental issues. Risks or defaults of companies in the future will have an impact on the work of the auditors and, in turn on the oversight function executed by regulators.
  - Changing governance structures of audit networks relevant to audit quality, which may impact the balance on responsibilities within these networks between member firms and regional/global organisations and challenges within the firms in balancing audit and non-audit activities.
  
- ❖ **Measurement of Audit Quality**
  - Stakeholder interest in additional objective information to provide further insights on audit quality.
  
- ❖ **Continuing significance of rapidly evolving technological advancements**
  - Impacts on audit process, information security, development of skillsets (such as data analytics), specialised experts and staff resources.
  - Data analytics posing challenges and opportunities for firms and reporting issuers; and requiring changes to inspection methodologies for regulators.
  - Artificial intelligence as a potential enabler of audit efficiency and quality, and/or potential disruptor of the audit profession, in audit procedures and emerging industries.
  - Block chain affording potential to increase security.
  
- ❖ **Legislative and regulatory changes**
  - Changes in governmental and organisational regimes which bring about sudden shifts in regulatory priorities and may have an impact on the quality of audit and financial reporting ecosystem.

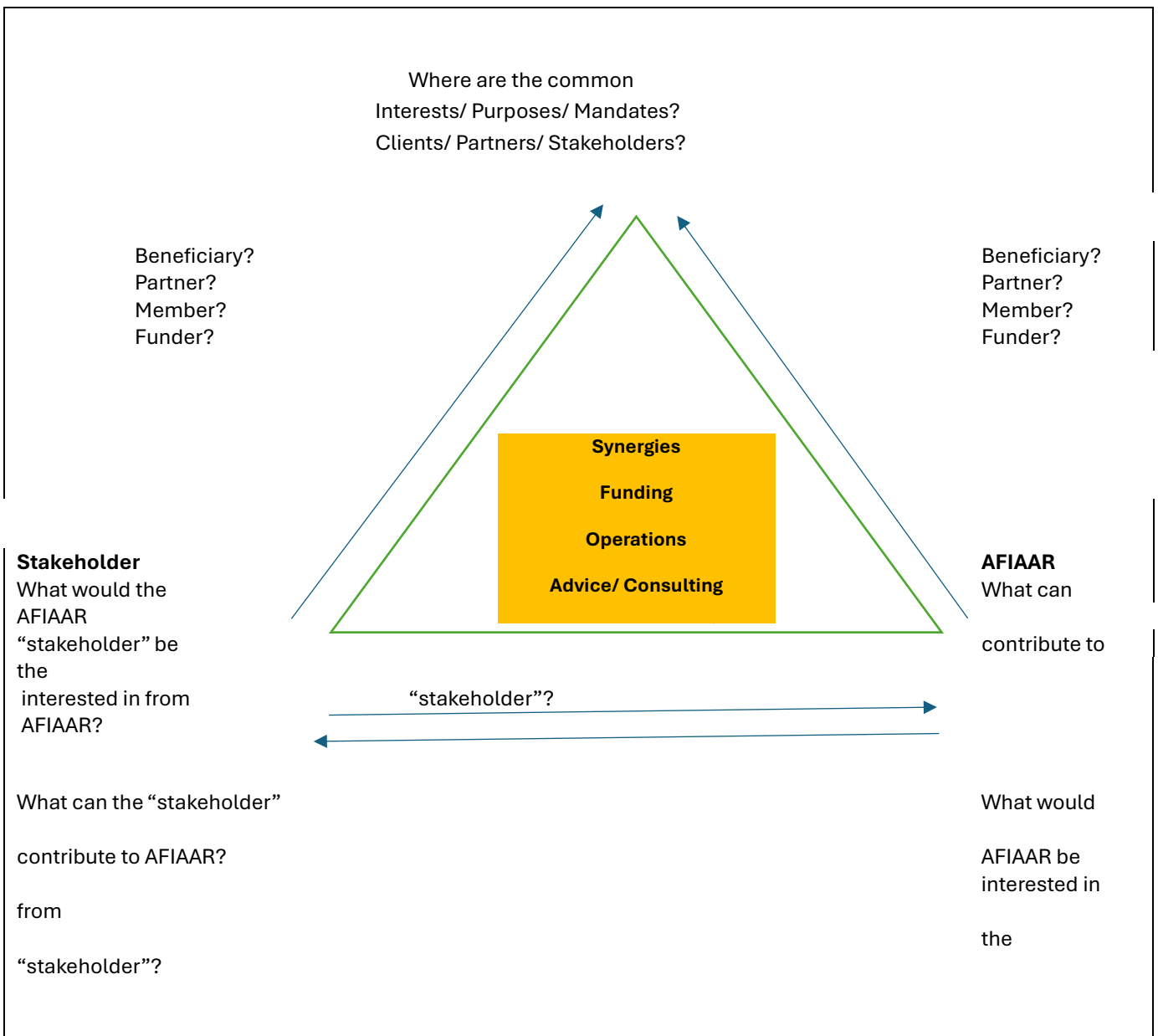
### Appendix 3 Governance Structure



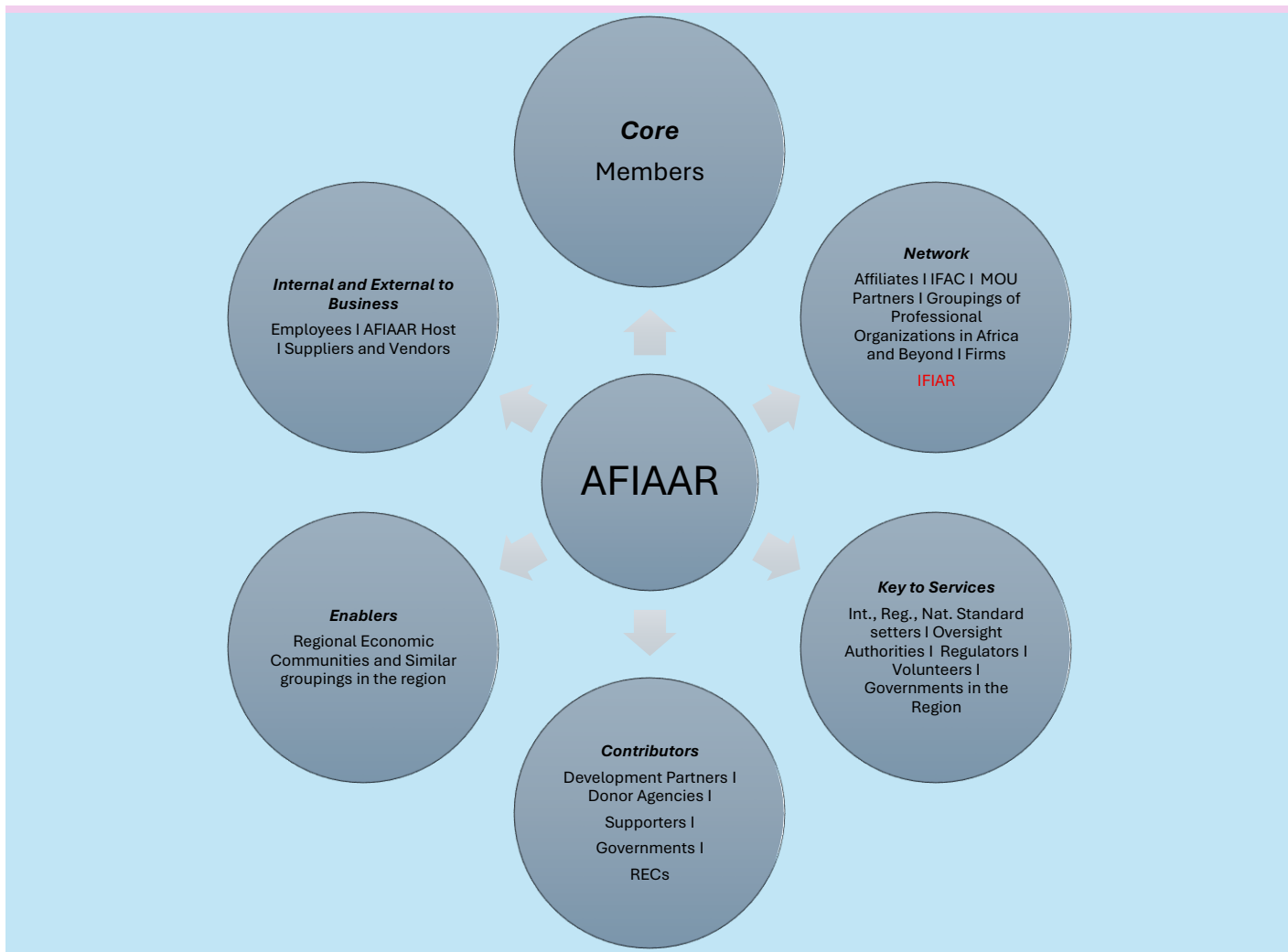
## Appendix 4: AFIAAR Stakeholder Mapping

### *Stakeholder triangle for exploring common ground*

The triangle demonstrates opportunities for partnership beyond past distribution of roles. The body of the triangle indicates areas that are likely to provide an interface or common ground for collaboration. The basis of the triangle focuses on the relation between stakeholders with a notion of mutuality to be explored from both sides. The top of the triangle shows what the partners can collectively do to better advance accounting and auditing regulation in Africa and ultimately attract investments into Africa. It also shows that collaboration may mean supporting a third party



AFIAAR’s relationships with **Key stakeholders** are core to our collective success. The breadth of our work would not be possible without our network.



**Appendix 5: AFIAAR Members**





Join the Movement

Contact us



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