
**Intergovernmental Working Group of Experts on International
Standards of Accounting and Reporting
(ISAR)**

**39th SESSION
1 – 3 November 2022**

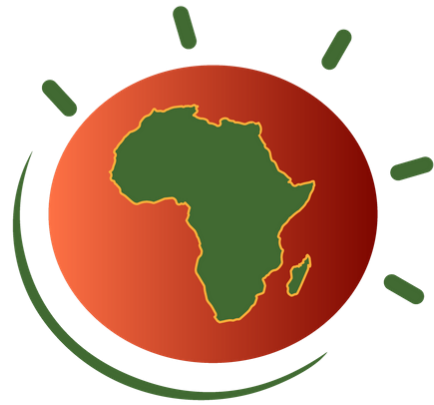
Wednesday, 2 November 2022

**Agenda item 4. Review of practical implementation of
international standards of accounting and reporting in the
private and public sectors**

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PAFA

PAN AFRICAN FEDERATION
OF ACCOUNTANTS

BUILDING A BRIDGE TO A BRIGHTER AFRICA

**PRESENTATION TO THE 39TH SESSION
OF UNCTAD'S INTERGOVERNMENTAL
WORKING GROUP OF EXPERTS ON
INTERNATIONAL STANDARDS OF
ACCOUNTING AND REPORTING (ISAR)**

**REVIEW OF PRACTICAL IMPLEMENTATION OF
INTERNATIONAL STANDARDS OF ACCOUNTING
AND REPORTING IN THE PRIVATE AND PUBLIC
SECTORS**

THE STATE OF PLAY

The Southern Africa and Eastern Africa and the Horn regions have a higher adoption rate compared to the other regions. 90% of countries in Southern Africa and 70% in Eastern Africa and the Horn have adopted IFRS Standards.

- Central Africa: None of the international standards have been fully adopted in this region
- Eastern Africa and the Horn: IFRS and IPSASB are either fully or partly adopted in all but 2 countries in this region (Burundi and Djibouti)
- Northern Africa: Adoption of both IPSAS and IFRS is low with both standards either not being adopted or only partly adopted.
- Southern Africa: IFRS is fully adopted and IPSAS partly adopted in all but 1 country (Mozambique)
- Western Africa: Only 3 countries in this region have fully adopted IFRSs and only Nigeria has adopted IPSAS. The remaining majority have either only partly adopted one or bot of the standards or have not adopted at all.



BARRIERS LIMITING THE FURTHER ADOPTION OF IFRS AND/OR IPSAS

- Capacity constraints – and in some cases a weak political will
- Other challenges, specifically in relation to implementation include:
 - latest education material and guidance not available in local languages
 - absence of IT infrastructure and software in local languages for implementation
 - Problems related to data-capture and obtaining the necessary information for disclosure

KEY LESSONS LEARNT

IFRS adoption has helped in building investor confidence and IPSAS has led to improved decision making, transparency and accountability, however,

- There is need for regulatory support for adoption to take place for example IPSAS implementation only gathered momentum following the enactment of necessary legislation.
- It is important to build capacity through the accountancy profession: sustainable, relevant and credible PAOs with strong institutional capacity play a critical role in supporting the adoption and implementation of International Standards
- Collaboration/strategic alliances is key to a coordinated effort at implementation. Higher Education Institutions are critical to bridging the skills gap and developing the much-needed human capacity

WHAT SUPPORT CAN BE OFFERED TO STATES IN THE PRACTICAL IMPLEMENTATION OF IFRS AND/OR IPSAS?

