

COMMUNIQUE OF THE INAUGURAL ECOWAS-ABWA JOINT CONGRESS HELD BETWEEN DECEMBER 4-7, 2019 AT THE OCEAN BAY HOTEL AND RESORT, BAKAU, BANJUL, THE GAMBIA

PREAMBLE

The Inaugural edition of the ECOWAS-ABWA Joint Congress was held between December 4-7, 2019 at the OCEAN Bay Hotel and Resort, Bacau, Banjul, The Gambia. The theme of the Congress which was hosted by the Gambian Institute of Chartered Accountants (GICA) was, ***“Accounting for Stewardship and Sustainable Development”***.

The Congress was attended by 151 delegates drawn from 10 PAOs in 9 countries of the sub-region. They are: Benin Republic, Cote d’Ivoire, Ghana, Liberia, Nigeria, Senegal, Sierra Leone, The Gambia and Togo. The Congress was declared open by the Minister of Finance, Republic of The Gambia, Mr. Mamuri Njie

TECHNICAL SESSIONS

There were five technical sessions, graciously chaired by Presidents of PAOs, during which 13 resource persons made various presentations which elicited robust contributions from the delegates.

ISSUES AND RECOMMENDATIONS

At the end of the various sessions, the following were recommended

1. The conference delegates noted the dominant size of the public sector in most countries of West Africa and its catalytic role as driver of economic growth and development. They therefore recommended that the on-going reforms championed by governments of the member-bodies with the support of ECOWAS and the World Bank to enhance the value propositions of the public sector, should be pursued to their logical conclusions through effective implementation of agreed strategies.

2. They also recommended that ECOWAS and the West African Economic and Monetary Union (WAEMU) should collaborate to assist less endowed countries in the sub-region to effectively implement the various public financial management reforms for the benefits of their citizens.
3. However, they recommended that the template of the reforms should take cognizance of the peculiarities of various countries rather than the current all-size fits all model being adopted.
4. The conference delegates were persuaded that the Accountancy Profession has a strategic role to play in the successful implementation of all the various PFM reforms. Accordingly, they urged developed PAOs like ICAN and ICAG to continue to mentor young and fledgling PAOs so that they can grow and support their various governments. They also urged ABWA to leverage the memorandum of understanding (MoU) it signed with ECOWAS to advance the development of the Accountancy Profession in the sub-region.
5. While commending the thrusts of various Public Financial Management Reforms in countries of the sub-region aimed at addressing their public sectors' inefficiency, predisposition to wastes, poor resource management and sharp practices, the participants recommend that policies that would **lift the mass of the people from poverty** should be pursued.
6. According to them, reforms should not just be embarked upon, they must positively impact the lives of the citizenry as envisaged by the UN Sustainable Development Goals and AU Vision 2063, **"the Africa We Want"**. To the participants, the narrative that Africa is the poverty capital of the world is not acceptable and should change. Accordingly, the success of the various reforms should be not measured by the amount of grants and aids received, but by the level of its inclusiveness and ability to economically empower the people of the sub-region.

7. Pursuant to this, they urged nations of the sub region to adhere to the ECOWAS Protocol on free movement of goods and services as this has implications for economic growth and development of member-states. They also encouraged countries of the sub-region to leverage the recently ratified African Continental Free Trade Area protocol to accelerate the development of their economies.
8. They also urged donor agencies and ECOWAS to financially and technically assist countries of the sub-region to reform their financial reporting framework such that they can effortlessly transit from the current cash-basis of accounting to accrual-basis of International Public Sector Accounting Standards (IPSAS). In their view, building human capacity through training and retraining, especially of professional accountants, is critical to the success of the transformation initiative of ECOWAS and governments of the sub-region.
9. They however cautioned that the adoption of IPSAS should not be seen as solution to the numerous problems of the sub-region. The solution lies in adoption of best practices in governance characterized by transparency, accountability, consensus building, responsiveness to the needs of the citizenry, investment in infrastructure and equitable distribution of wealth.
10. They noted, in particular, that there cannot be accountability if the accounting process is weak, deficient and not in tandem with best practices in corporate reporting. With proper accounting framework backed by legislation, public officials who manage the public sector in each country, which controls the largest proportion of resources, can and will be held to account.
11. Participants acknowledged the on-going reforms of the tax regimes in various countries in an effort by their governments to raise revenue to meet the growing needs of their peoples. They however observed the trend towards globalization, aided by technology,

which is increasingly making countries in the sub-region unable to raise tax revenues from multinational corporations as they engage in base erosion and profit shifting.

12. Participants decried a situation where, with the growth of e-commerce, multinational corporations (MNCs) easily transfer profits from jurisdiction where value is created to tax haven where they pay little or no taxes. As non-resident companies, they earn profit in one jurisdiction and pay taxes in another jurisdiction. The conference therefore recommended that governments of member-countries should work with ECOWAS to jointly develop regulations that will be applicable in the sub-region taking a cue from what the OECD is doing for the European Union. Such an approach will ensure that double tax treaties are not violated.
13. They also recommended that countries of the sub-region should strengthen their tax architecture and inter-country dispute resolution mechanisms as strategies to improve tax collection
14. While noting that business disruption is just starting, the conference recommended that institutional capacity should be built by the tax authorities to reposition their personnel to brace up to the challenge of the growing and expanding digitalized economy.
15. The conference was greatly enthused by the disruptive impact that technology is having on business practices, finance models and the accountancy profession. While noting that high net worth companies listed on leading stock exchanges in the world are now hi-tech companies with intangible, rather than tangible, assets, they observed that all routine and repetitive accounting functions, including audit sampling method, will be phased out and taken over by technology.
16. Given the profound impact that this development will have on the ecosystem of the workplace, they urged all PAOs to revisit their pre- and post-qualification training

curricula in order to technically empower new entrants and existing members for the emerging challenges that lie ahead.

17. Although they were assured that technology will not take their jobs, conference delegates were persuaded that only individuals and entities that invest in new knowledge will survive on a sustainable basis.
18. Accordingly, the delegates also recommended that governments of countries in the sub-region should place greater emphasis on information and communication technology and incorporate the body of knowledge into the curricula of primary and secondary schools not only to catch them young but also trigger a renaissance that will positively impact the way value is created in the sub-region.
19. According to them, if professionals of the sub-region are going to be effective and active players in the emerging 4th Industrial Revolution, they must acquire soft skills to enhance their value propositions in the face of artificial intelligence, big data, machine learning and block chain technology.
20. Given the profound changes in consumer behavior and business models, they urged professional accountants to strive to drive the deployment of information technology in their respective organisations not only to consolidate on its gains but to preclude fraudsters from fleecing them of scarce resources.
21. The Conference noted the place of compliance to best practices in corporate governance in the ability of listed entities to create value for their stakeholders. At the heart of this is a well-resourced, diversified and ethically-driven board with clearly defined charter which embeds the dos and don'ts of board members and the leadership. While commending the nations of the sub-region that have enacted their Corporate Governance Code based on ***“Comply and Explain”*** or ***“Comply or Explain”*** philosophy, the conference urged other

nations that have not done so to set in motion the process for achieving this. Such a code should be flexible and scalable while ensuring that regulatory burden is reduced.

22. As experts in financial and resource allocation matters, the conference challenged professional accountants to bring their expertise to bear on governance in their various countries such that public and private sector managers will be held to account. By so doing, they would become stewards of integrity and agents of economic progress and sustainable development.

23. Finally, the Conference commended the joint organisers of the Congress, ECOWAS-ABWA, for the choice of themes, resource persons and the well-organized congress. They urged ECOWAS to leverage its position to drive the development and harmonization of the accountancy profession and its practices in the sub-region as this was key to the success of its various economic integration initiatives.

Thank you

Abel Aig. Asein

Executive Secretary

Association of Accountancy Bodies in West Africa

Friday, December 6, 2019