



FRED 2018

Maximizing Private Sector Finance and Solutions for Sustainable Development

Role of the Accountancy Profession



CONTENT

ACKNOWLEDGEMENTS	3
ACRONYMS	4
FOREWORD	5
PART 1 - CHALLENGES TO SUSTAINABLE DEVELOPMENT	6
A: The Infrastructure Gap	7
B: Impediments to Development	9
PART 2 - CATALYZING PRIVATE INVESTMENT - AVENUES OF ENGAGEMENT	10
A: Streamlining Public-Private Partnership (PPP) Frameworks	11
B: Reforming State-Owned Enterprises	13
C: Enabling Multilateral Development Banks	15
PART 3 - LEADING STAKEHOLDER INTEGRATION - ROLE OF ACCOUNTANCY PROFESSION	17
A. Unlocking Public Wealth	18
B. Supporting Regulators and Compliance Function	19
C. Tackling Corruption	19
D. Embracing Technology and Digitalization	20
E. Upskilling for Future	20
F. Meeting Users' Broad Reporting Needs	21
G. Partnering with Other Stakeholders	21
H. Driving Implementation of Public Sector Reforms	22
I. Facilitating the Taxation Regime	23
J. Collaborating for Synergy	23
PART 4 - GEARING FOR GROWTH - RECOMMENDATIONS FOR THE FUTURE	25
A. For Public Sector	26
B. For Private Sector	28
C. For Profession	29
D. For Regulators	31
CONCLUSION	32
Appendix A - FRED Agenda	33
Appendix B - Speaker Profiles	37

ACKNOWLEDGEMENTS

ACKNOWLEDGEMENTS

FRED III 2018 would not have been possible without the immense contribution by the Institute of Chartered Accountants of Pakistan (ICAP), Institute of Cost and Management Accountant of Pakistan (ICMA Pakistan), Confederation of Asia and Pacific Accountants (CAPA), South Asia Federation of Accountants (SAFA), ASEAN Federation of Accountants (AFA) and the World Bank. We extend our special thanks to Mr. James A. Brumby, Director Governance Global Practice, the World Bank Group, Mr. Illango Patchamuthu, Country Director Pakistan, the World Bank, Mr. Ismaila Ceesay, Governance Manager, World Bank Group, Ms. Jiwanka B. Wickramasinghe and Ms. Qurat ul Ain Hadi, Governance Specialists, the World Bank who were instrumental in making the event a big success.

ACRONYMS

- AFA:** ASEAN Federation of Accountants
- AGP:** Auditor General of Pakistan
- AI:** Artificial Intelligence
- AML:** Anti-Money Laundering
- ASEAN:** Association of Southeast Asian Nations
- BOT:** Build Operate Transfer
- CAPA:** Confederation of Asian and Pacific Accountants
- CFT:** Countering Financing of Terrorism
- CGA:** Controller General of Accounts
- CPD:** Continuing Professional Development
- CPI:** Corruption Perceptions Index
- EBITDA:** Earnings Before Interest, Tax, Depreciation and Amortization
- FIA:** Federal Investigative Agency
- FRED:** Forum for Regional Economic Development
- GDP:** Gross Domestic Product
- HRM:** Human Resource Management
- IBA:** International Bar Association
- ICAP:** Institute of Chartered Accountants of Pakistan
- ICMA Pakistan:** Institute of Cost & Management Accountants of Pakistan
- IFAC:** International Federation of Accountants
- IFRS:** International Financial Reporting Standards
- IMF:** International Monetary Fund
- IPO:** Initial Public Offering
- IPSAS:** International Public Sector Accounting Standards
- IPSASB:** International Public Sector Accounting Standards Board
- IR 4.0:** Fourth Industrial Revolution
- IR:** Integrated Reporting
- KE:** Karachi Electric
- MDB:** Multilateral Development Bank
- MFD:** Maximizing Finance for Development
- MIA:** Malaysian Institute of Accountants
- NAB:** National Accountability Bureau
- NOCLAR:** Non-Compliance with Laws and Regulations
- PAO:** Professional Accounting Organizations
- PFM:** Public Financial Management
- PPP:** Public Private Partnership
- RPA:** Robotic Process Automation
- SAARC:** South Asian Association for Regional Cooperation
- SAFA:** South Asian Federation of Accountants
- SAI:** Supreme Audit Institution
- SDGs:** Sustainable Development Goals
- SOE:** State Owned Enterprises

FOREWORD

As the world leaders resolved to embrace an ambitious and transformative 2030 agenda for sustainable development, the discussion on development finance has reached new heights. There is a realization that the world needs a new architecture for development finance. Additionally, it needs a global change of mindsets, approaches and accountabilities. Today, many governments seek the private sector's help to advance the development goals. They maximize their development resources by drawing on private financing and sustainable private sector solutions to provide value for money and meet the highest environmental, social, and fiscal responsibility standards, and thereby reserve scarce public financing for those areas where private sector engagement is not optimal or available. Many businesses offer valuable skills, resources, and access to markets and many recognize that promoting sustainable development makes good business sense. Implementation of the sustainable development goals have begun, but the clock is ticking.

The 3rd Financial Reform for Economic Development Forum in Asia (FRED III) was held in Karachi, Pakistan on 24th of September 2018 on the theme 'Maximizing Private Sector Finance and Solutions - Role of the Accountancy Profession'. It is a continuation of FRED II which probed into ways of strengthening public financial management, as an essential pillar to create conditions conducive to the flow of private capital, domestic and foreign, into productive investments and to reduce illicit financial flows. FRED III explored the enhanced role of the professional accountant from stewardship to decision making and how the profession is gearing up to meet the new demands at this critical juncture when development finance is transforming, and the private sector is providing not only development finance but also solutions for development.

FRED forum started as a joint initiative of the World Bank and the Confederation of Asian and Pacific Accountants (CAPA), under the support and endorsement of International Federation of Accountants (IFAC). The partnership has subsequently embraced the South Asian Federation of Accountants (SAFA) and the ASEAN Federation of Accountants (AFA) in order to deliver FRED throughout the region. FRED III was led by SAFA and hosted by the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost & Management Accountants of Pakistan (ICMA Pakistan). The Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountant of Pakistan (ICMA Pakistan) jointly organized the Third FRED Forum. The inaugural for the FRED Forum 2018 was held on September 23, welcoming the speakers and delegates to Pakistan; a promising economy full of opportunities for the investors. In partnership with the World Bank, CAPA, SAFA and AFA. FRED Forum 2018 held on September 24, in Karachi. showcased eminent speakers from IFAC, CAPA, SAFA, World Bank, India, Malaysia, Nepal, Pakistan, Philippines, Sri Lanka and Vietnam.

The FRED Forum explored how the accountancy profession is gearing up to meet the new demands of the augmented role of the private sector in providing finance and solutions for development. Four Plenary sessions were held: Fostering an Enabling Environment - Private Sector Investments for Development, Gearing for the Future - New Skills for the Profession, Building Investor Trust through Effective Public Sector Institutions - Impact on the Accountancy Profession, and Regional Priorities FRED a forum for growth.

Part 1

Challenges to Sustainable Development



A: The Infrastructure Gap

What is nature of the development challenge facing the world today? Approximately, \$2.5trillion are invested in transportation, power, water, and telecommunications sectors across the globe every year. Yet we fall short by \$1.3 trillion. An average of \$3.3 trillion must be spent annually to sustain current growth rates in the next decade. Most of this spending will occur in emerging economies. The term global infrastructure gap refers to 'the difference between the infrastructure investment needed and the resources made available to address that need'. The figure 1 below displays that various sectors across the globe require an estimated aggregate spending of \$49.1 trillion through to the year 2030 to sustain current growth projections.

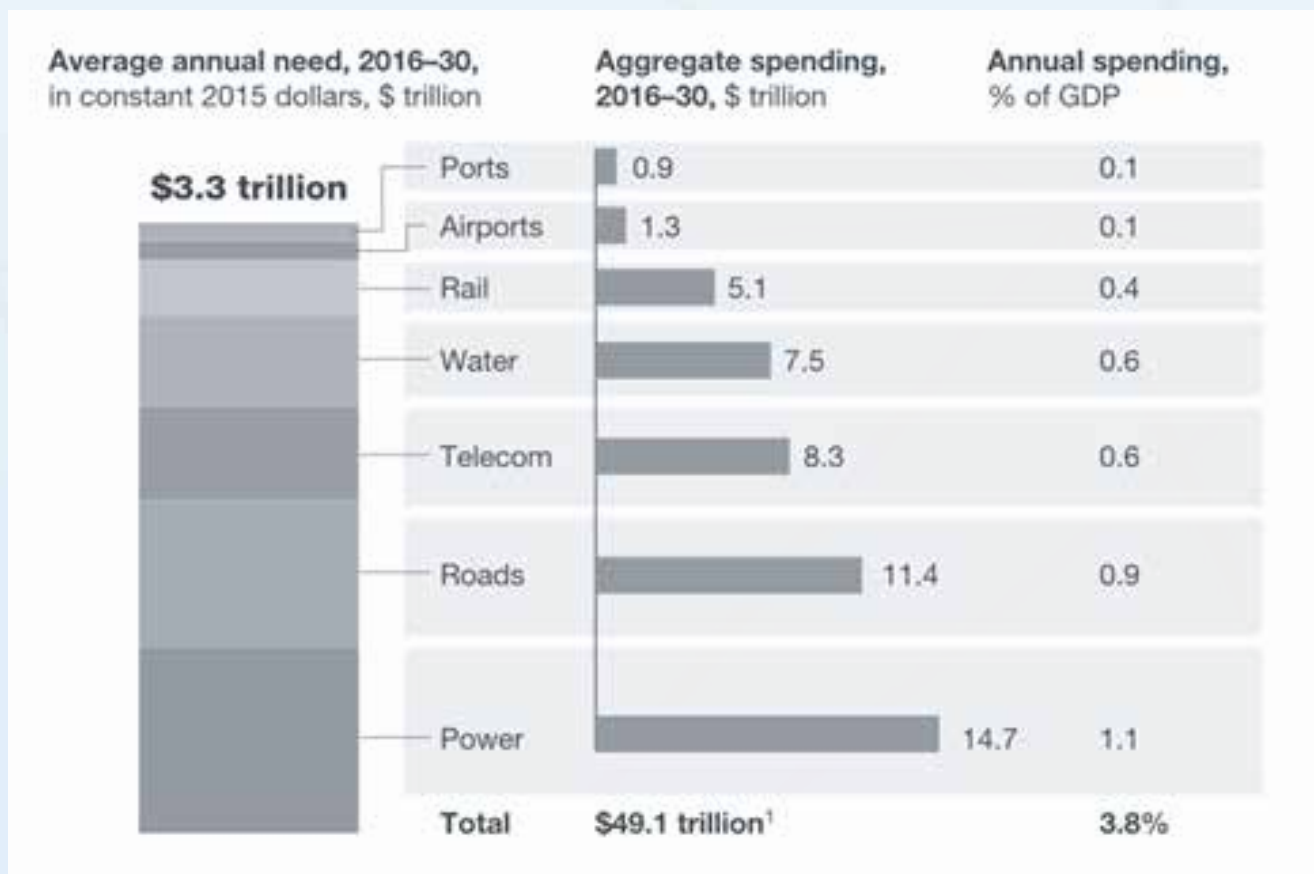


Fig 1: 2016 - 2030: Infrastructure - Need of Investment 1

Infrastructure and economic growth are inextricably linked. The global infrastructure gap is widening as countries pay insufficient attention to prioritizing development agenda, building infrastructure assets and creating investment climate. This gap may hamper economic growth by giving rise to income disparity, economic shrinkage and deindustrialization in developing countries. The overarching impact of Sustainable Development Goals may not be achieved as lack of infrastructure erodes socioeconomic progress.

¹ June 2016, Bridging Global Infrastructure Gaps, McKinsey Global Institute

“At one hand, MDBs must help in the effort of creation of fiscal space with more official spending at the domestic level. But importantly, in addition to this, we have been asked to work with countries to catalyze private investment. In the Bank, we refer to this as maximizing finance for development.”

James A. Brumby, Director Governance Global Practice, World Bank Group

There may be variability in the capacity of governments to respond to this gap. A greater fiscal space is required to fulfil the rising demand of infrastructure. Facing a large infrastructure gap and bound by tight economic conditions, governments will have to find innovative avenues of financing. Emerging modes of private sector financing can be employed to address this grim situation.

	LIMITED FISCAL ROOM	GREATER FISCAL ROOM
Low infrastructure gap	Small gap, Fiscally restricted (e.g. Canada)	Small gap, Fiscally flexible (e.g. China)
High infrastructure gap	Large gap, Fiscally restricted (e.g. Pakistan)	Large gap, Fiscally flexible (e.g. Malaysia)

Fig 2: Typology of Responsiveness of Governments²

Fiscal space is the flexibility of a government in its spending choices. Figure 2 presents a typology of responsiveness of governments in bridging infrastructure gaps within varying fiscal environments. A high tax to GDP ratio in conjunction with other policies enables governments to deploy fiscal stimulus wherever it is needed. These governments can allocate budget to public infrastructure without undermining fiscal sustainability. A greater fiscal room translates into provision and expansion of social service to the citizens of such countries. The developing world does not have a wide revenue collection base. Driven by tight fiscal policy, governments constrict their development budget limiting their capacity to spend on infrastructure and social security projects. With a tight fiscal room and large infrastructure gap, these governments must turn to private sources of financing for development.

² March 2019, How Accountants Can Bridge the Global Infrastructure Gap: Improving Outcomes Across the Entire Project Life Cycle, Association of Chartered Certified Accountants and Chartered Professional Accountants of Canada

\ B: Impediments to Development

Global capital markets, potentially, have the scale and scope to finance infrastructure projects in the low- and middle-income countries. This potential, however, has not translated into reality. Many variables have held back the flow of private capital to public projects. These variables range from economic barriers to institutional hurdles to social impediments.

The **demographic composition** of the developed world is placing a heavy burden on its economy. With ageing populations, the revenue base in developed countries is shrinking to unsustainable levels. Conversely, the developing world faces the dilemma of demographic dividend. With surging levels of young populace, increased investment is required in education, health and infrastructure. However, the linear pace of development is not catching up to the exponential growth in population. The scarcity of resources manifests in the form of crime, gentrification and social immobility across the globe.

Public sector institutions in developing economies are ridden with inefficiency and incompetence. Mismanagement and malpractice is rooted in **cultural mores** of these countries. Corruption and bribery is considered kosher. The law also turns a blind eye to such practices. Bureaucracy and red tape is entrenched in organizational systems. The majority despises change. Those challenging the status quo are ostracized.

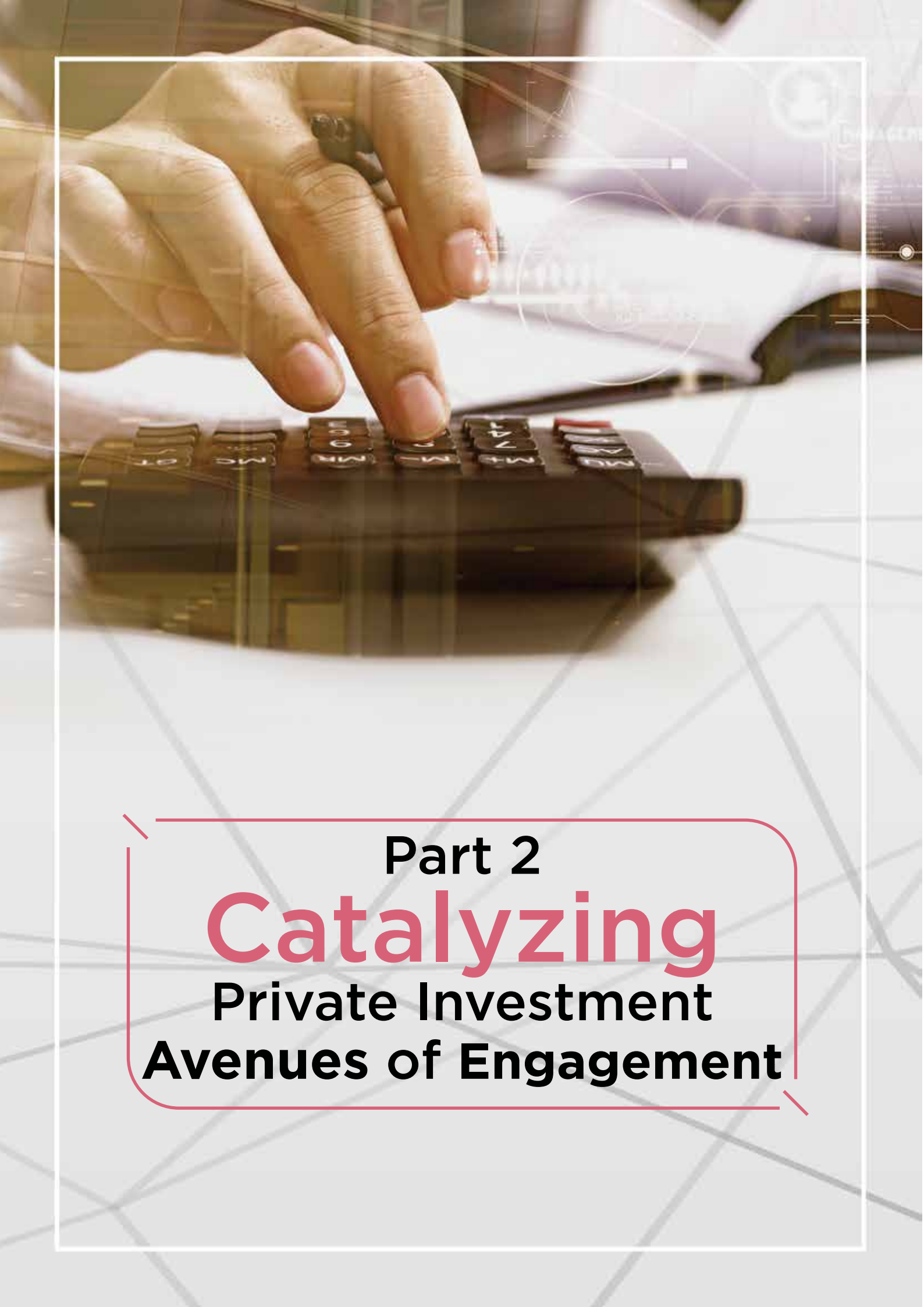
The development agenda of governments is often defined and directed by their **political interests**. Pandering to certain constituencies, governments end up misprioritizing and misallocating resources to unproductive ends. Political instability also leads to declining investor confidence. Adding to the mix is the global rise of terrorism and violence. These variables have erected trade and fiscal barriers that hamper the movement of capital.

Regulatory regimes play an integral part in shaping the investment environment. They are employed as instruments of harassment and raise the cost of compliance. As first-class investors flee overregulated markets, they open up space for second-class investors. Lack of transparency or competition allows private partners to reap windfall profit margins. Opportunism and expropriation thrive in such environments.

Devolution and **decentralization** of executive systems create multiple points of interaction for the investor. They have to simultaneously negotiate with local, provincial and federal bodies as well as financial, technical and regulatory agencies. Additionally, investors face problems in acquiring licenses and intellectual property rights in devolved administrative structures.

Information and capacity asymmetry between institutional investors seeking opportunities and public sector clients that need capital leads to a dysfunctional market. In such environments, institutions must step in to build trust and confidence. Moreover, a sustained effort is required to remove skill and knowledge deficiencies.

A public private partnership cannot prosper till all stakeholders aspire to remove these obstacles.



Part 2

Catalyzing
Private Investment
Avenues of Engagement

In order to remove the institutional, political and economic impediments to development, all stakeholders i.e. governments, regulators and private sector must act in unison. From streamlining Public Private Partnership (PPP) frameworks to reforming State Owned Enterprises (SOEs) to enabling multilateral financial institutions, this collaboration can happen in several avenues of engagement.

\\ A: Streamlining Public-Private Partnership (PPP) Frameworks

Countries with strong robust PPP frameworks have greater private sector participation. Many variables affect the scale and scope of the PPP frameworks.

The discontinuity of government affects the impact of PPP projects. Consistency in policy by the government and quality of management by the private sector must be ensured through enforceable contracts. A sound legal and judicial charter should set the stage for a PPP framework. Any dispute should also be resolved through the same legal charter. Additionally, in the presence of local, provincial and national level jurisdictions, one principle may be established for the PPP frameworks.

The tax to GDP ratio in developing countries is low. Countries cannot meet development requirement only with tax revenue regimes. Private sector financing is imperative for infrastructure development. Private investors also want taxation regimes that are fair, equitable and transparent. PPP frameworks must be aligned to optimize the revenue collection of government and return on investment to the private sector.

The quality and efficacy of administrative structures is an important variable. Any PPP process requires documentation. If the project development and execution processes are tedious, they dissuade the investor. Overregulation can lead to rigidity. Approvals from several regulatory bodies with additional compliance reports add time and cost delays. PPP frameworks must ensure ease of business without sacrificing due diligence. Quick and correct decision-making should be integrated in PPP framework.

Capacity constraints in areas of technical, financial and project management hold back long-term investment in PPP projects. The support network of consulting bodies, accounting firms, legal agencies, capital venture firms and HR agencies is required to address the capacity constraints. For all stakeholders to benefit from this expertise, the provision of these services must be timely available and integrated.

In addition to technical support, the active role of Supreme Audit Institutions (SAIs) is integral to fortifying a PPP framework. SAIs provide an independent review of projects to important constituents like parliament and public. These bodies maintain an oversight on expenditure and development decisions of the government. Their mandate may include regularity and performance audits, which entails auditing financial reports of government entities, ensuring compliance and probity, conducting value for money analysis for projects and inspecting service delivery. Audit institutions performing these roles can help improve PPP program governance. However, to be effective in doing so-rather than simply introducing delays, or saddling PPP programs with requirements that are not appropriate for the specific needs of PPP-audit entities often need training and support.

Facilitating Public-Private Partnerships: PPP Center Philippines

In 2010, the PPP Center was set up in the Republic of the Philippines as the main driver of PPP programs. It was mandated to facilitate the implementation of the country's PPP projects. The Center set up an institutional arrangement defining clear goals and accountabilities for all governmental agencies.

The first step in this process was to bring amendments to laws and regulations. An amended Build Operate Transfer (BOT) Law was passed in 2010 in order to address imperfections of the previous regime. Under this law, all concerned agencies like finance ministry and planning ministry, were put under a PPP governing body to coordinate policy and implementation. This body guides the agencies on important issues like criterion of evaluation of PPP projects, monitoring of PPP projects, prioritization of PPP projects and employment in PPP projects.

After streamlining the legal regime, the PPP Center addressed the limited capacity of government agencies as well as the private sector in executing PPP projects. The center offers a range of services to agencies from conceptualization to project execution. It also acts like an in-house consultant to the private sector. The center has developed a pool of funds to manage the bidding process. The evaluation of bids from an international transaction advisor also acts as a seal of approval mitigating risk in the form of lost time and resources. Additionally, it provides training in value for money analysis, feasibility analysis, risk analysis and contingent liability analysis.

Finally, PPP Center also documents the bottlenecks faced in the delivery of a project. This is done to imbibe the lessons learnt in one project across the board. The body has also put in place Alternate Dispute Resolution mechanisms to avoid high costs associated with arbitration.

Jeffrey I Manalo
Director PPP Center, Philippines

B: Reforming State-Owned Enterprises

State-owned enterprises (SOEs) enjoy patronage of governments due to an inherent belief that a state must provide basic amenities to its citizens. Energy, civil infrastructure, education, health, aviation and communication are important sectors of national development. With presence of SOEs in these industries, governments spearhead industrial growth. At close inspection, in many instances SOEs seem ridden with inefficiency and redundancy. Governments expropriate SOEs for their political and economic agendas. The reform of SOEs is imperative to achieve superior service delivery.

In a market economy, privatization is championed as a savior of ailing SOEs. On the surface privatization may also seem as the only choice available to governments to redeem losses; however, some of the myths of privatization must be evaluated before opting for it. It requires a long-term commitment from all stakeholders to ensure a profitable and smooth transfer of public entities to the private sector. Governments need to provide guarantees on basis of which the investors can develop a financing plan. If these commitments are not honored, investors will be dissuaded. Additionally, the government and private sector may need to put in place management mechanisms to deal with inefficiencies of SOEs before the ownership changes hands. The longer this transition is, the greater is the sense of uncertainty. SOEs start to deteriorate as time goes by. The privatization process itself diminishes the net value of SOEs. Hence privatization cannot be considered a silver bullet and reforms should be made in SOEs for effective functioning.

Improvement in corporate governance of SOEs is another avenue of reform in SOEs. Mitigation of political meddling in SOEs is essential to ensure profitability and growth. The capacity of boards should be enhanced for effective monitoring of the management committee. In this regard, private sector board members play a key role. The non-partisan composition of boards can balance the political and commercial needs of an organization.

SOEs, in many cases, operate as monopolies. Even in industries with several players, SOEs have a distinct advantage. With increased liberalization and deregulation, SOEs are forced to become competitive. International contracts also push SOEs to adopt efficient management practices.

A professional public management ethos, culture and system may be put in place in order to achieve objectives of SOEs. Financial and governance functions should be benchmarked with best industry practices. The HR systems of SOEs do not have an enabling environment for performance. Unions due to political aspirations often hamper human resource development. The establishment of recruitment and selection, compensation and benefits, training and development and performance management systems of SOEs should be on the lines of contemporary HRM practices.

Turnaround of a Power Generation and Distribution SOE: Karachi Electric

In early 1990's, the deregulation in the power generation sector in Pakistan led to the establishment of Independent Power Plants (IPPs). It was supported by policy changes in tariff schemes. However, structural incompatibility led to a capacity gap in power generation and distribution. Considering this development, the private sector took over partial ownership and complete management of Karachi Electric (KE), a vertically integrated power generation, transmission and distribution company in the port city of Pakistan. 25% of the shareholding remained with the government of Pakistan.

In 2008, KE had negative EBITDA of \$87 million. It had a headcount of 18,500 personnel with 1,500 management and 17,000 non-management employees. An alarming statistic of 652 gardeners and 358 engineers displayed the political interference and malpractice in staffing. The operational system of KE was dilapidated. Line losses amounted to 37% of total electric transmission.

The new management put in place processes to downsize workforce and expand financial investment. The workforce was resized to 11,000 personnel with 5,500 management and non-management employees each. With investment worth \$2 billion in infrastructure, line losses were brought down to 25%. The Sindh government incentivized the tariff structure to ensure sustainable returns rather than high returns. KE posted EBITDA of \$ 44 million in 2010.

The successful turnaround of Karachi Electric (KE) is a prime example of how an SOE can come back from the brink of bankruptcy by adopting professional public management practice and offering long-term incentives.

Syed Moonis Alvi
CEO K-Electric, Pakistan

In many cases, SOEs do not have the financing capacity to develop infrastructure without the help of private sector. SOEs, however, are cautious of investment from foreign sources. They are apprehensive to develop and manage assets of national importance in collaboration with foreign investors. The need for capital expansion may drive SOEs to offer IPO. This demands a thorough assessment of readiness for IPO. Along with other structural measures, the government needs to offer long-term incentives to build investor trust. Involvement of private sector in public shareholding can draw a greater pool of resources and ensure transparency. In addition, effective accountability mechanisms can reinforce investor confidence. These mechanisms could be external or internal to SOEs. Accountability institutes can exercise oversight on the procurement, financial reporting and effectiveness of SOEs while internal audit committees can ensure compliance to these standards. The presence of such an oversight structure goes a long way in attracting investors.

C: Enabling Multilateral Development Banks

Multilateral Development Banks (MDBs) can mobilize resources to create fiscal space especially when governments face tough economic conditions. They can offer support to governments and private sector by acting as advocates, experts, financiers, brokers and evaluators.

MDBs bring a coordinated approach to the public and private sides of development. They can encourage regulatory reform by government along with urging private investor to make use of the opportunity. They can provide access to markets and institutions that traditionally would not be welcoming to private investment. Moreover, they can offer frameworks and tools for effective implementation and evaluation of these projects.

“MDBs as a group has committed to collectively increase private finance mobilization by 25-35% over the next three years.”

- **James A. Brumby, Director Governance Global Practice, World Bank Group**

They can effectively advocate and shape the agenda of development in line with the Sustainable Development Goals. With comprehensive resources at their disposal they can push government and private sector to take up vital infrastructure projects. World Bank has articulated this ambition in the form of Maximizing Finance for Development Program. The aim of the program is to systematically leverage all sources of finance, expertise and solutions to sustainable economic growth.



The manifesto of Maximizing Finance for Development (MFD) Program: The World Bank

What is it? The World Bank's MFD approach leverages the finances of private sector to support limited public resources in pursuit of Sustainable Development Goals (SDGs) in developing countries. They achieve this by improving the enabling environment, developing regulatory conditions, building capacity, putting in place standards, financing a first mover or innovator, and reducing risks.

Why now? Sustainable Development Goals (SDGs) have defined a clear path for the governments of developing countries. They must provide a better life to its citizens by reducing poverty, tackling environmental issues, reforming markets and ensuring social development. This ambition requires a radical shift in modes and sources of financing. Traditional fiscal and public models are unable to generate funds for a wide range of development projects.

What is being done? The World Bank Group is piloting the MFD approach in nine countries where clients have requested private sector solutions to advance critical development projects: Cameroon, Cote d'Ivoire, Egypt, Indonesia, Iraq, Jordan, Kenya, Nepal, and Vietnam. The World Bank Group is also facilitating high impact private sector investments in Lebanon, Sri Lanka, Kazakhstan, Bhutan, and Bangladesh.

How does it work? As a project is considered for the MFD approach, the World Bank Group works with its partners to mobilize finances from public and private resources, apply best practices in project management, ensure affordability for citizens and evaluate impact on economic growth. The unique requirements of each project and country are considered while designing the right mix of public private partnerships.



Part 3

Leading

Stakeholder Integration

Role of

Accountancy

Profession

“I have never been able to operate without accountants because they know how to provide support to all arms of public functions. Quality accounting and reporting is critical for soundness of economy, businesses, corporations and stability of the entire financial system.”

**- Shamshad Akhtar,
Ex-Finance Minister, Pakistan**

“There is financing available and there is investment need, the missing component is the creation of the environment conducive to matching these funds with need, accounting profession has a critical role in creating the environment where opportunity is converted to reality.”

**- James A. Brumby,
Director Governance Global Practice, World Bank Group**

Another significant theme of FRED 2018 was grounded on the emerging role of accountancy profession in the context of maximizing public sector finance. In the pursuit of channeling more finance to public sector, whatever solution is resorted to, role of accountants and the profession would be of significant scale and depth. Right from the preparedness of public sector to facilitation of private sector in project valuations and feasibilities, accountants would be in the forefront. From execution of such arrangements to post implementation compliance and performance management; accountants again would have a pivotal role to play. In the past decade, changing technologies, business models and public expectations have already redefined the scope of profession. In evolving times of increased public private collaboration, the profession has a huge role to play, specifically in the following areas,

✓ A. Unlocking Public Wealth

Management of public assets can boost or bust economic growth of any country. It can channelize magnanimous yield of natural resources to upsize the world GDP. According to the estimates by International Monetary Fund (IMF), the value of global public assets is twice as much as the global stock market and global GDP. Another safe estimate suggests that if the public assets are put to professional management, they can yield revenues exceeding the present tax collection across economies, which means more funds available for United Nations Sustainable Development Goals.

³For economic growth, the world needs accountants, by Dag Detter, Specialist public commercial assets

However, these public assets remain undocumented, unaudited, unregulated, and most importantly remain unsupervised resulting in continuous depletion. Governments need the paradigm shift from mere cashflow and debt management to looking into net worth by valuation and recognition of assets. To capture the real worth of these assets, accountants can be the best enablers. General purpose accounting has evolved over decades to the present-day sophisticated accounting as well as reporting. Sound accounting and reporting practices can highlight and enhance visibility of growth potential for the private investors.

✂ B. Supporting Regulators and Compliance Function

Accountants can support compliance function from both sides of the table by adding a fair and independent view. Conventionally, they were responsible for looking after the contractual liabilities and hard-core accounting parameters only. But now accountants both, in business and practice, have several regulatory relationships to manage. Apex government bodies like central banks, stock exchanges, Securities and Exchange commissions / boards, industry regulating bodies, audit oversight functionaries, accountability and investigative agencies, all look up to professional accountants as facilitators. An important development in this area was introduction of Non-Compliance with Laws and Regulations (NOCLAR) in 2017. This standard is stimulating the accounting profession to play a bigger role in global fight against NOCLAR in areas including fraud, money laundering, bribery and corruption. Furthermore, at the other side of the table, accountants' role in regulatory bodies has also become phenomenal over time.

✂ C. Tackling Corruption

Integrity is one of the key pillars of Code of Ethics for Professional Accountants. As an extension of this virtue the accountants are expected to encourage and endorse ethical practices at their workplaces including implementing whistle-blowing protocols. They can also play a vital role in tackling corrupt behavior. A curious, skeptic and questioning mindset coupled with latest analytical tools and Artificial Intelligence (AI) can help in building robust processes, to not just detect but also prevent fraud and corruption at the first place. Across the globe, accountants are also key actors in implementation of Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT). Asian countries are not doing well on the Corruption Perceptions Index (CPI) , which measures the perception of public sector corruption. Majority of them are in the first 50 most corrupt and accountants have a bigger role here to help governments improve this.

⁴ Corruption Perception Index, 2018, Transparency International

“If the accountability and transparency drive is to succeed in Pakistan, then we need to involve chartered accountants and cost accountants in National Accountability Bureau (NAB), Federal Investigative Agency (FIA), Auditor General of Pakistan (AGP) and Controller General of Accounts (CGA).”

- **Dr Farogh Naseem,**
Minister for Law & Justice, Pakistan

In 2018, as part of anti-corruption compact, International Federation of Accountants (IFAC) issued a joint anti-corruption mandate with the International Bar Association (IBA) to highlight the role of professional accountants in serving public interest, now and in future.

∖ D. Embracing Technology & Digitalization

Technology and digitalization is the new world order. The fourth industrial revolution (IR 4.0) brings together various new technologies like cybersecurity, big data, cloud-computing and AI which would enormously impact organizations. The decision to consider IR 4.0 only a disruption or an enabler for more productive and innovative future is the choice of accountants.

Digitalization in public sector can remarkably increase efficiency, eliminate redtapism and improve overall service delivery which will in return simplify the business interface for private sector and maximize economic activity. Malaysian Institute of Accountants (MIA) has conducted a detailed study on technology footprint for accountants in industry, practice, academia and public sector. This study suggests a roadmap for technology adoption by accountants in public service as, “Retain, Reimagine and Innovate practices and services.”

∖ E. Upskilling for Future

The role of accountants has already evolved beyond historical number crunching to making future value judgment from financials. At the same time, there is a shift in public sector organizational structures, as governments are decentralizing their departments, entering into PPP arrangements and spinning off departments as companies. This calls for a transformed role of accountants as more commercially focused and entrepreneurial minded. Instead of traditional budget cuts, innovative and disruptive solutions would be sought from accountants for better fund management. Accountants would also be looked up to for input on scalability and sustainability of projects. Drawing analysis from data in public service projects is also challenging as the data relationships are not strictly numerical or linear as is growth or profitability in private sector. Accountants need to have intelligent creativity and deciphering mindset for such ambiguous and fluid environments.

⁵ Corruption Perception Index, 2018, Transparency International

F. Meeting Users' Broad Reporting Needs

The classic role of accountant was to report the profitability and net worth of an entity to the providers of its financial capital. Earlier in the twentieth century, relationships in the market and society, skills of workforce, knowledge and ideas contained within the company, effective business models, efficient supply chains, were referred to as 'intangible assets', but not recognized on the face of financial statements due to lack of meeting recognition criteria. But in today's times, these attributes have become the true value drivers of a successful entity. These concepts are at the heart of why Integrated Reporting <IR> is gaining fast-growing acceptance amongst entities around the world. It is a framework that recognizes how value is created over time by social, relationship, human, natural and intellectual capitals in the new era of 'multi-capitals.' Thus, the role of accountants is changing. The ultimate goal of <IR> is to communicate organizations' performance in the widest sense in a clear and concise manner. In arrangements where public interest is also involved, understanding of 'bigger picture' of government objectives and strategic priorities and demonstration of financial results on those lines become an accountant's additional responsibilities. If SOEs want to attribute value and report on the contribution they make to communities and societies, <IR> provides that opportunity which is also well integrated with the IFRS reporting.

Within Asia, in 2017-18, two countries Japan and Malaysia have published 400 and 60 plus reports respectively on Integrated Reporting <IR>. Malaysian Institute of Accountants (MIA) has set a benchmark by publishing its own IR.

“Would it worry you to know that you might only be looking at 20% of the likely value of your organization? Yet that is the reality that up to 80% of the value of company is not on the financial statements.”

- Francis Cyril,
ASEAN Manager, IIRC

G. Partnering with Other Stakeholders

Strengthening public sector institutions is the first step to attract private finance. This would require partnership among accounting, economics and finance regulatory bodies to promote stability and confidence of both domestic and overseas investors. Accounting profession has great potential to mediate and build meaningful relationships between public sector and other stakeholders. Wide ranging presence of accountants in various organizations like corporate and capital market regulators, tax authorities, industry regulators, policy institutions and boards of investment, entails an opportunity for creation of cross-institutional

⁵ Corruption Perception Index, 2018, Transparency International

networks. Such network can lead to better dialogue, trust restoration, policy harmonization, and redundancy elimination. This would create better ecosystem for co-existence of public and private sector institutions.

H. Driving implementation of Public Sector Reforms

Public sector reforms mean deliberate structural and procedural changes in public sector organizations to enable them to run better. Accountants can play a key role in

a. Transition to Accrual Basis of Accounting

Accrual reporting is recording the economic substance of transactions when they occur rather than cash settlement. It is fundamental to good decision making, transparency and accountability as it gives a full portrayal of assets and liabilities. Use of accrual gives a solid basis to public financial management reforms in the areas of accounting, financial statistics and policy & budgeting. The European sovereign debt crisis and other financial crises across the world made all too clear the risks that arise when governments don't have good information on their liabilities, contingencies and commitments. And even when things run smoothly, cash-basis reporting is of limited use for governments that manage significant assets over long periods and enter into long-term contracts to deliver public service infrastructure. According to the International Public Sector Financial Accountability Index, 2018, out of 150 jurisdictions, 37 governments (i.e. only 25%) reported on accrual basis while 45% are transitioning to accrual basis. So around three-fourth jurisdictions across the globe look up to professional accountants to facilitate this transition.

b. Adoption and Implementation of IPSAS

Benefits of adopting global standards are undeniable. Standards make comparison on transactions across borders, jurisdictions and sectors quite convenient and remove the need for translation and reconciliation process. This results in increase of the potential pool of investment available to the public sector. The "Strategic Objective 2019-2023" set by International Public Sector Accounting Standards Board (IPSASB) is, "Strengthening Public Financial Management (PFM) globally through increasing adoption of accrual-based IPSAS." This objective is further broken down into two activities; delivering global standards; and inspiring implementation. This is indeed an opportunity for professional accountants to spearhead the much-needed change in public sector by creating awareness and facilitating adoption of accrual-based IPSAS

⁶ Encouraging New Data on Accrual Adoption but Further Progress Needed by Steven Cain, Technical Manager, Policy and Technical Team, CIPFA

I. Facilitating the Taxation Regime

Clearly, accountants play a pivotal role in today's business environment through long term tax planning. Accountants build up enormous data for regulators and investors to analyze, plan and optimize. They provide services while maintaining the highest levels of integrity and professionalism which yield tax efficiency for the private investor and higher returns for governments.

J. Collaborating for Synergy

Professional Accounting Bodies and their International/ Regional forums have been at the forefront of implementing transparent, accurate and uniform accounting practices in the public and private sector. Growing from the traditional role of regulating the accountancy profession, these institutions now act as business partners. They enable the private and public sector to optimize resources and prioritize financing. Likewise, they have obligated the private and public sector to report on sustainability and governance. Ultimately by ensuring compliance with standards, accounting bodies have a role to mitigate malpractice in public-private partnerships. Regional accounting bodies can combine resources, share knowledge and best practices and carry joint research on emerging technical areas.



Creating synergy: South Asian Federation of Accountants (SAFA)

South Asian Federation of Accountants (SAFA) was established in 1984 under the auspices of South Asian Association for Regional Cooperation (SAARC). The SAARC region consists of Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. SAFA became the foremost representative platform for accounting professional bodies in the South Asian region. SAFA recognizes and represents over 430,000 accountants who hold membership of the national chartered accountancy and cost and management accountancy institutions in their respective countries.

An important mandate of SAFA is to adopt International Financial Reporting Standards (IFRS) across the region. They have collaborated with chartered accounting institutions in the region to ensure implementation of these standards. Sri Lanka, Bangladesh and Pakistan have been the first countries to adopt IFRS. Nepal is on the path of implementation with the development of Nepal Financial Reporting Standards. India has introduced a convergence strategy to adopt IFRS by the year 2020. Maldives, Bhutan and Afghanistan are yet to do it. SAFA is providing technical assistance to these countries for seamless and smooth implementation.

SAFA with the help of other International Financial Institutions is advocating the adoption of the International Public Sector Accounting Standards (IPSAS) across the SAARC region. Sri Lanka has adopted IPSAS on accrual basis. World Bank is working with the Indian government to adopt IPSAS. Pakistan is in the process of adopting IPSAS standard on cash accounting and will then move to accruals. Nepal is also streamlining its Public Sector Accounting Standards. Rests of the countries are yet to catch up.

Moreover, every member country of SAFA is required to hold one annual conference in the area of IFRS, IPSAS and ethical standards. The purpose of these conferences is to encourage all stakeholders to develop integrated and comprehensive future plans. SAFA is working towards building skills and competencies of accountants in the region. In 2017, virtual knowledge training programs were launched by SAFA. A women Empowerment Committee has been constituted in 2019 to encourage female participation and growth in the accounting profession.

Dr Suvod Kumar Karn
President SAFA

Part 4
Gearing
for **Growth**
Recommendations
for the future



With the identification of critical challenges and effective solutions in the plenary sessions, the only way forward is to commit to a long-term agenda of development. All stakeholders must shoulder this responsibility. Following are the key recommendations emanating from the deliberation at the 3rd FRED Forum 2018.

A. For Public Sector

The government should ensure;

1. Ease of Doing Business

- Reform administrative and bureaucratic structures
- Improve transparency in processes and reporting
- Offer one stop shop to investors

2. Develop Strong Governance Mechanisms

- Coordinate decision making across functions and levels of government
- Exercise strong oversight on project design and execution
- Incentivize decision makers to try innovative solutions
- Establish continuity in budgets and plans
- Distinguish between roles within the government; politicians to set policy objectives and technocrats to do planning and evaluation
- Eliminate corruption and malpractice through legislation and strengthening law enforcement agencies and accountability institutions

3. Attract and Retain Talent

- Offer lucrative market-based compensation packages to attract and retain top talent
- Invest in training and development of its employees
- Reform civil and public service systems
- Offer lateral and functional growth opportunities to employees parallel to hierarchal growth
- Introduce mid-career appointments from private sector to create human capital with experience of both sides

4. Develop Capital Markets

- Nurture stock exchange markets to increase fiscal space for infrastructure projects
- Attract foreign equity by bond market development
- Improve credit culture and risk management systems
- Exercise fiscal and monetary restraint

5. Reform SOEs

- Constitute boards of governors consisting of private sector members
- Learn and implement best practices in SOEs
- Align political and economic interests of the stakeholders

6. Develop a Coherent and Consistent PPP Regime

- Establish coordination agency as a single touch point for investors to create liaison amongst all concerned authorities and replicate effective approaches to PPP
- Offer suitable pricing, regulation and value capture investments and ensure stakeholder buy-in
- Engage international reputed consultants for technical and financial advisory
- Autonomous and apolitical PPP regime be made for consistency in different political governments
- Ease of access to the policy makers for quick implementation
- Research wing to have a ready-made bucket of possible investments

PLENARY - Fostering an Enabling Environment: Private Sector Investment for Development

Creating the right enabling environment, putting good governance at the heart of the reform process and adoption of IFRSs will definitely make a big difference to channelize private funds to SOEs.”

- Arjuna Herath
Partner E&Y, Srilanka

“ Power sector is one of the highest growing areas for private sector to invest but private sector needs long term guarantees as these projects are highly capital intensive and need a long time to complete. ”

- Dr Ca Dat Khoa
Director, Capital Management
Department, Electricity of Vietnam

“ It’s not high tax rate that deters private investor but the ad hoc change in policies that robs their confidence.”

- **Moazzam Ahmed,**
Senior Country Officer,
International Finance Corporation,
Pakistan

“ The weak and myopic regulatory paradigm, multiple layers of regulation (e.g. provincial and federal) and non-selection of projects through public-benefit-test are the biggest challenges.”

- **Irshad Kaleemi,**
Deputy Auditor General of Pakistan

∖ B. For Private Sector

The private sector should;

1. Build Capacity in Project Assessment and Execution in

- Fact based project selection
- Effective procurement, tendering, and contracting
- Concept, design, and engineering optimization
- Risk and reward assessment
- Technical, leadership and project management skills

2. Deliver Triple Bottom Line

- Profit i.e. long-term financial sustainability
- People i.e. creating social impact
- Planet i.e. safeguarding environment

3. Spearhead Policy and Resource Mobilization

- Participate fully in the planning phase
- Channel untapped sources and modes of financing
- Design innovative financing solutions
- Create safeguard against losses and delays

C. FOR PROFESSION

The accounting profession should;

1. Develop Specific Professional Interventions

- Design composite project valuation techniques combining aspects of both capital investment appraisal and social impact factoring
- Use financial modelling tools for monitoring and evaluation of project Key Performance Indicators
- Adopt dynamic reporting tools like Balanced Scorecard, Dashboards etc.
- Promote implementation of modern anti-fraud software, data analytics, and AI based tools
- Simplify institutional policies and procedures related to investors/public
- Prepare long term inter-temporal financial forecasts for better decision making
- Present disaggregated assets including commercial, social and financial assets in financial statements
- Advocate pragmatic decision making based on realistic forecasts rather than overambitious fiscal illusions
- Provide training to Supreme Audit Institution (SAI) on risk-based auditing and forensic audit methodologies

2. Deliver Triple Bottom Line

- Training on optimization of processes through alignment with objectives and reducing inefficiencies
- Inculcating end-user orientation and stakeholder management skills
- Inclusion of public sector training period during articleship
- Deliver industry specific trainings to public sector players for their capacity building
- Update professional accountancy curriculum to impart the upcoming required skillset

3. Increase Focus on Process Control Automation

- Digitalization of business and service delivery processes
- Integration of systems for optimal utilization of resources
- Enhanced focus on preventive controls to reduce trust deficit
- Remove repetitive controls and data duplications/inconsistencies

4. Encourage Regional Cooperation of Professional Accounting Organizations (PAOS)

- Build central transaction advisory for foreign investment
- Bring regional synergies by knowledge-sharing
- Provide access to public sector training and explore gateways to cross-membership of public finance bodies

5. Improve Qualitative Information Handling Ability

- Redesign accounting curriculum to build ability to collate and interpret qualitative information and draw meaningful relations between qualitative and quantitative data
- Design Continuing Professional Development (CPD) activities to include skill development of existing professionals in non-financial areas
- Encourage cross-functional dialogue/ roundtables on technical accounting and reporting issues to encourage integrated reporting.

PLENARY - Gearing for the future: new skills for the profession

“Now there is a shift in role of professional accountants as extended organs of regulators who are facilitating regulators by ensuring compliance and guiding other board members on compliance issues.”

**- Dr Jagan Rao
Vice President
SAFA**

“Creativity and innovation would be required when accountants start directing strategies and becoming catalysts to implement vision.”

**- Arjuna Herath,
Chair of Professional Accounting
Organization Development
Committee, IFAC**

“With adoption of Robotic Process Automation (RPA), the need to understand underlying business processes and forthcoming communication with the technical and process people will become imperative for accountants.”

- Saad Kaliya,
System and Process Assurance partner, PwC Pakistan

D. For Regulators

Regulators should,

1. Initiate Inter-Regulator Dialogue:

- Create synergy through establishment of working groups among regulators
- Share knowledge amongst regulators for understanding of market dynamics, business processes and preemptive regulatory regimes
- Validate regulations with other relevant regulators before implementation
- Identify and eliminate redundant regulations, data duplications and unification of overlapping domains
- Should be consensus on national standards and provincial enforcements

2. Reduce Over-Regulation:

- Identify key risk areas and implement fair and focused regulations
- Address low risks through alternate controls and procedures
- Optimize regulation to gain investor confidence
- Define ambit of various regulators and different wings of a single regulator
- Reduce cost of compliance of investors

3. Redefine Core Values:

- Redefine values with focus on improving investor and stakeholder experience
- Reinforce integrity and professional behavior as critical success factors
- Promote cooperation and facilitation as dominant attributes
- Prompt redressal of customer concerns

“What I have preached and practiced is courtesy, facilitation and sincerity in my interaction with investors. We should look at investors as helpers and not as robber barons who have come to loot and plunder us.”

- Dr. Waqar Masood Khan
Former Federal Secretary for Finance Division, Pakistan

4. Employ Efficient and Expeditious Dispute Resolution Mechanism

- Regular dialogue amongst the stakeholders for review of laws and disputes
- Define dispute disposal timelines to avoid unnecessary delays
- Disposal jurisdictions as foreign investors usually want a third international jurisdiction for conflict resolution

CONCLUSION

For maximizing private sector finance solutions, first the key stakeholder i.e. government needs to examine the infrastructure gap by identifying the political, social and institutional barriers and building a risk mitigation strategy. In the next step, the government can explore the possible engagement avenues in the shape of entering into PPPs, making SOE reforms or taking International/multinational Financial Institutions on board. All stakeholders (i.e. public and private sector, regulators and accountancy profession) as enablers and then join hands to improve the overall eco-system of private sector financing and explore solutions for development. This inclusive development trajectory yields the impact of accelerated economic growth.

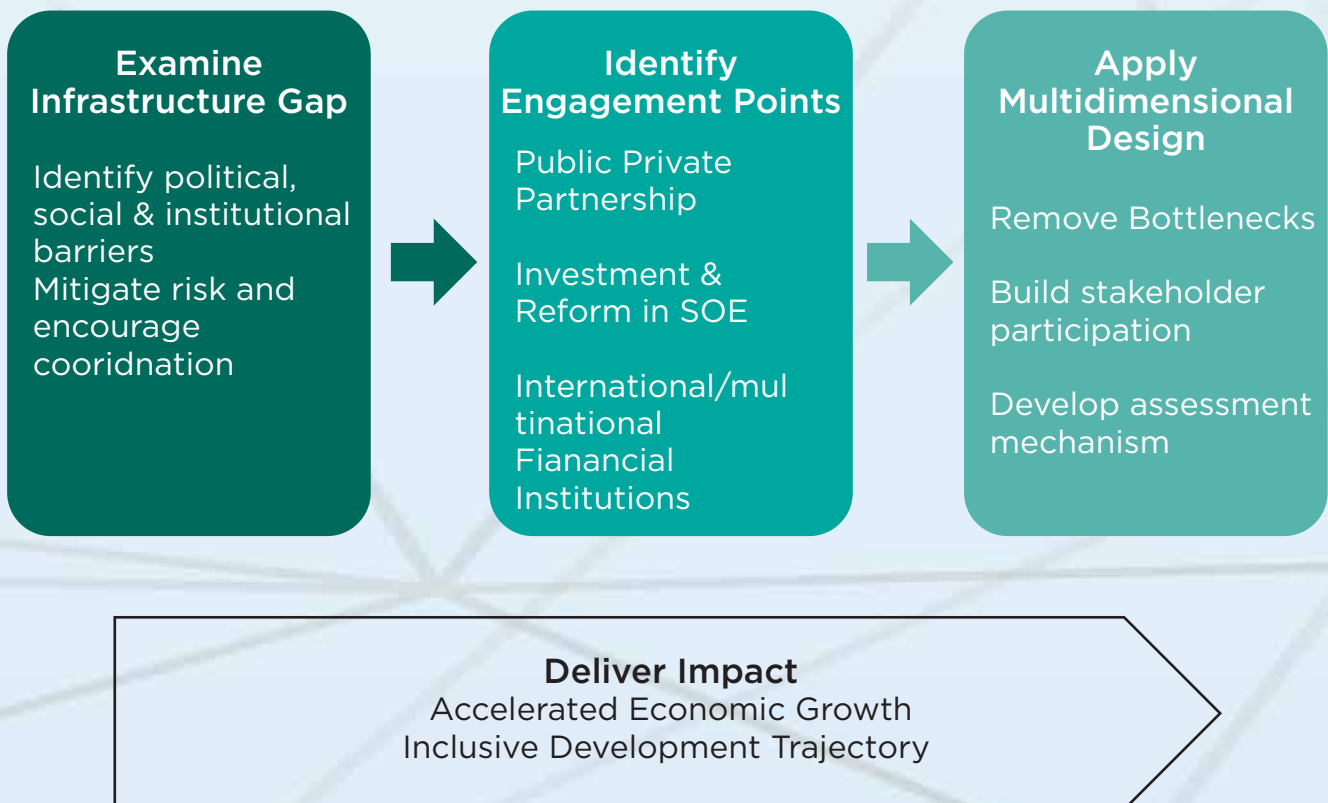


Fig 3: Thematic pillars of FRED

In a nutshell, governance reforms is the key ingredient in uncorking the bottleneck for mobilizing finance for development and accountants can make very specific contributions to this.

A handshaking business deal over a city skyline at night. The background shows a city skyline at night with illuminated buildings and a bridge. The foreground shows two hands shaking, symbolizing a business deal or agreement. The text 'FRED Agenda' is overlaid on the image in a red-bordered box.

FRED **Agenda**

\\ Inaugural Dinner: September 23, 2018

- 19:00 Opening remarks and welcome - Mr. Abdul Malik, COO & Secretary ICAP
- 19:15 Destination Pakistan - Mr. Abdul Aleem, COO & Secretary OICCI
- 19:45 Curtain Raiser FRED Forum 2018
- 19:55 Address - Chief Guest, Dr. Mohammad Farogh Naseem Minister for Law & Justice
- 20:15 Address - Mr. James Brumby, Governance Director, World Bank
- 20:25 Closing remarks - Mr. Shehzad Ahmed Malik, Honary Secretary, ICMA Pakistan
- 20:35 Cultural Show
- 21:30 Dinner



\ Fred Forum Event : September 24, 2018

08:00 Registration & Networking

09:00 Opening
(Recitation and National Anthem)
Master of Ceremony Ms. Hena Sadiq, Partner Assurance,
Deloitte Yousuf Adil Chartered Accountants

09:10 Welcome Address
Mr. Riaz A. Rehman Chamdia, President, Institute of Chartered Accountants of Pakistan
Mr. Zia ul Mustafa Awan, President, Institute of Cost & Management Accountants of Pakistan

09:20 Opening Remarks Justice
Dr. Suvod Kumar Karn, President, South Asian Federation of Accountants
Mr. Manoj Fadnis, President, Confederation of Asian & Pacific Accountants

09:35 Key Note Address: Expanding Finance for Growth: Governance and Role of the Profession
Mr. James A. Brumby, Director Governance Global Practice, World Bank

10:10 Building Investor Trust - Public Sector Pillars and Foundations ICMA Pakistan
Address by Chief Guest, Dr. Shamshad Akthar, Former Finance Minister & SBP Governor

10:30 Tea Break

10:50 PLENARY A: Fostering an Enabling Environment: Private Sector Investments for Development

Moderator: Ms. Yolanda Tayler, Practice Manager, Solutions and Innovations in Procurement, World Bank

Panel:

1. Dr. Cao Dat Khoa, Director of the Capital Management Department, Electricity of Vietnam
2. Mr. Moonis Alvi, CEO, K-Electric, Pakistan
3. Mr. Arjuna Herath, Chair of Professional Accounting Organization Development Committee of IFAC
4. Mr. Moazzam Ahmed, Senior Country Officer, International Finance Corporation, Pakistan
5. Mr. Irshad Kaleemi, Deputy Auditor General of Pakistan

11:55 PLENARY B: Gearing for the future: New Skills for the profession

Moderator: Mr. Yacoob Suttar, International Federation of Accountants (IFAC) Board member

Panel:

1. Mr. Arjuna Herath, Chair of Professional Accounting Organization Development Committee of IFAC
2. Dr. PVS Jagan Mohan Rao, Vice President, South Asian Federation of Accountants
3. Ms. Hajerah Ahsan Saleem, Head Investment Infrastructure Development & Corporate Affairs, Crescent Steel & Allied Products Limited, Pakistan
4. Mr. Francis Cyril, ASEAN Manager, International Integrated Reporting Council/Partner, Audit & Assurance, BDO Kuala Lumpur
5. Mr. Irshad Kaleemi, Deputy Auditor General of Pakistan

13:00 Lunch

14:15 PLENARY C: Building Investor Trust through Effective Public Sector Institutions:
Impact on the Accountancy Profession

Moderator : Mr. Akmal Minallah, Senior Financial Management Specialist, World Bank

Panel:

1. Mr. Jeffrey I. Manalo, Director, PPP Center Philippines
2. Mr. Abdul Khalil, CFO, Lahore Knowledge Park Co., Pakistan
3. Dr. Waqar Masood Khan, Former Federal Secretaries for Finance Division, Pakistan
4. Mr. Khalid Rahman, Former MD, Pakistan Petroleum Limited & Sui Southern Gas Company Limited
5. Mr. Ather Saleem Ch., Head of Compliance and Taxation, Fauji Fertilizer Bin Qasim Ltd

15:20 Tea Break

15:40 PLENARY D: Regional Priorities - FRED a forum for growth

Moderator : Mr. Ismaila B. Ceesay, Practice Manager, Governance Global Practice,
World Bank

Panel:

1. Dr. Suvod Kumar Karn, SAFA President
2. Ms. Rasmimi Binti Ramli, Deputy Executive Director, Professional Practices and Technical, Malaysian Institute of Accountants
3. Mr. Riaz A. Rehman Chamdia, ICAP President
4. Mr. Zia ul Mustafa Awan, ICMA Pakistan President

16:45 Closing Remarks

17:00 Mr. Riaz A. Rehman Chamdia, Confederation of Asian & Pacific Accountants



Speaker Profiles



Mr. Abdul Khalil is **CFO of Lahore Knowledge Park Company**. He has earlier worked as General Manager Finance, Army Welfare Trust Aviation and held positions of Senior Manager Finance, Army Welfare Trust and Member of Advisory Board International Research Association. He is a Fellow Member of Institute of Cost and Management Accountants of Pakistan (ICMA Pakistan), a Fellow Member of Institute Public & Finance Accountants of Pakistan (PIPFA), a Fellow Member of Institute of Financial Accountants (IFA) of UK. He also holds professional qualification of Licensed International Financial Analyst (LIFA) USA and Certificated Project Manager (CPM) USA. He has remained Member of ICMA Pakistan's National Council and Chairman CPD Committee during 2012-14. He has given lectures and presentations at various International and National level Seminars and Conferences



Mr. Akmal Minallah is a Public Financial Management specialist with over 20 years' experience in the public sector. Currently he works as **Senior Financial Management Specialist** at the **World Bank**. He has worked in areas marked with complex social and military conflict at all levels of government. He has worked on public policy, medium term budgeting, citizen participation in PFM and fiduciary risk assessment in Pakistan, Iraq, Nepal, USA and Netherlands. His recent work focused on the design and support of implementation of Center-of-Government reforms covering institutional redesign; public financial management, in particular, linking planning, budgeting and service delivery; citizen and gender based budget; fiscal transfer to subnational and district governments ; sub-national capacities for public financial management and public service improvement initiatives using Community Driven Development approaches; donor harmonization through Strategic Development Partnership Framework.



Mr. Arjuna Herath, FCA, CGMA, FCMA, became Chair of the **IFAC Professional Accountancy Organization Development Committee** in January 2017, having served as a member of the committee since 2013. Currently, being the Senior Partner at Ernst & Young, Sri Lanka and Maldives, Mr. Herath has been a President and a Council Member of the Institute of Chartered Accountants of Sri Lanka (ICAS), and has also served as a Commissioner of the Securities and Exchange Commission of Sri Lanka (SEC). Presently, he is a Member of the Board of Directors of the Accounting and Auditing Standards Board, the Sri Statutory Accounting Standards Committee, Statutory Auditing Standards Committee and the Advisory Commission on Company Law in Sri Lanka. He is the immediate Past President of SAFA and was a Board member of the Confederation of Asian Pacific Accountants.



Mr. Ather Saleem, is **Head of Compliance & Taxation of Fauji Fertilizer Bin Qasim Limited**, he has over 25 years of practical experience. He has worked with various accounting firms, the telecom sector as Departmental head, Company Secretary and Chief Financial Officer. His vast experience of working with top management teams, Board of Directors has given him the expertise in data analysis and interpretation; and accounting for mergers and acquisitions. He is a Fellow Member of Cost and Management Accountant, having a degree in law and is a Member National Council and Chairman CPD Committee of ICMA Pakistan.



Dr. Cao Dat Khoa is a **Director of the Capital Management Department, Vietnam Electricity (EVN)** and has earlier held various key positions in EVN as Economic expert, Management Board for North-South 500kV Transmission line Project, Ministry of Energy; The Northern Power Projects Management Board. He has been responsible for the privatization, divestiture and transferring of the SOEs into joint stock companies; managing subsidiaries and affiliates in the form of joint stock companies; attracting private investment in the divestiture of Power Generation Corporations. He played a key role in transforming EVN from state corporation into state economic group in the form of holding company; member of Electric Service Industry working group in ASEAN's electricity utilities. He holds a doctorate in Economics and is an Engineer in electric power network along with a Post Graduate Diploma in the Development Planning Techniques.



Mr. Francis Cyril commenced his career in 1995 with PricewaterhouseCoopers (PwC) and was an Executive Director with the Assurance practice prior to joining **BDO as Partner Audit & Assurance**. Currently he is a member of ACCA Malaysia's Public Practice Committee. He has been involved in cross border acquisitions/due diligences on power plants and media companies along with special assignments, which comprise preparation of accountant's report and reviews of prospective financial information and proforma financial information for submission to relevant authorities for various corporate exercises. He has extensive experience in the audits of various industries in the manufacturing, trading, services, technology, construction, oil & gas, entertainment and media, info-comm, telecommunications and utilities sectors. The diversity of his clientele entailed him working on projects across Europe, Africa and Asia.



Ms. Hajerah Ahsan Saleem is working as the **Group Head of Corporate Affairs**, and the **Business Unit Head of the Investments and Infrastructure Development Division of Crescent Steel and Allied Products Limited**. Additionally, Hajerah also serves as the Chief Executive Officer of CS Capital (Private) Limited and as a non-executive director on the boards of Shakarganj Limited, Crescent Hadeed (Private) Limited. Prior to joining Crescent Steel in 2012, she worked at Barclays Bank PLC Pakistan and has experience working in a Corporate Banking function with specialist focus on relationship management, business development and transaction banking.



Mr. Irshad Ahmed Kaleemi, Deputy Auditor General of Pakistan started his career in Civil Service in 1984 and has served in Ministry of Finance, Ministry of Economic Affairs, Ministry of Petroleum and Natural Resources, Ministry of Law, Ministry of Parliamentary Affairs and in Ministry of Railways. He has remained Governor SAARC Energy Development Board and convened and hosted various Joint Governmental and Joint Ministerial meetings with 47 countries. He has done Project loan negotiations with many IFIs (World Bank, USAID, IFAD, etc.) and their portfolio monitoring in Pakistan. He is Visiting Faculty in RIPHAH University, Islamabad; Pakistan and teaches the subject of: "Crisis Communication" to masters class. He has authored two Books which are in final stages of publishing: 1) OBOR, 2) Central Asian Socio Politics.



Mr. Ismaila B. Ceesay is the **World Bank's Practice Manager, Governance Global Practice, South Asia Region** - focusing on Afghanistan and Pakistan. Prior to this, he has been a Lead Financial Management Specialist of the World Bank in the Governance Global Practice spanning for eleven years and has worked in South Asia and Africa Regions at headquarter and country levels. Prior to joining the World Bank, Ismaila served as Financial Analyst and Accountant of the Gambia National Investment Board, Managing Director of public enterprises in The Gambia (Livestock Marketing and Public Transport Corporation), Chairman of The Gambia Telecommunications Company Ltd., Gambia's Head of Mission to the EU, Director of Treasury, Accountant General, and Deputy Head of the Central Fiscal Authority in Timor-Leste under the auspices of the United Nations.



Mr. James A (Jim) Brumby is a **Director of the Governance Global Practice**, and is responsible for the governance program in the East Asia & Pacific, Latin America and the Caribbean and the South Asia regions. He also heads the public sector family which comprises staff working on domestic resource mobilization, public economics, justice and public sector reform. Jim has been engaged on public management and economic reform at state, national and international levels for more than thirty years, having worked for the Treasury of the state of Victoria in Australia, the Treasury of New Zealand, the OECD, the IMF and currently since 2007, at the World Bank. He returned to World Bank headquarters in Washington DC in 2015 to take up the position of Director after a period in Indonesia as Lead Economist and Sector Manager. He holds an MPA from Harvard University.



Mr. Jeffrey I. Manalo as OIC Director heads the Policy Formulation, Project Evaluation, and Monitoring Service (PFPEMS) of the **Public-Private Partnership (PPP) Center of the Philippines**. Since he joined the Center in 2011, he has been involved in key facets of the PPP Program including project management, policy and program development, as well as capacity building and knowledge management. He was also given a brief assignment at the Department of Transportation's Office of the Under secretary for Planning and Project Development in 2014. Prior to joining the PPP Center, he worked with the Local Government Academy of the Department of the Interior and Local Government. Jeff holds a degree in Public Administration from the University of the Philippines. He has also attended an executive program on Infrastructure in a Market Economy at the Harvard Kennedy School of Government.



Mr. Khalid Rahman's professional experience spans around 40 years in senior management positions in oil and gas and banking industry and accounting and audit profession in Pakistan and abroad, including Europe and Far East. He worked in the United Kingdom and Hong Kong for 17 years, handling regional responsibilities before returning to Pakistan in 1992. In Pakistan he has served as **CEO/Managing Director of Sui Southern Gas Company Limited** and **Pakistan Petroleum Limited**. Mr. Rahman is the member of the Institute of Chartered Accountants in England and Wales, Institute of Chartered Accountants of Pakistan and Ontario Institute of Chartered Professional Accountants.

He was appointed on the Compliance Advisory Panel of the International Federation of Accountant in 2015, which position he holds to date. Also he served the Council of ICAP from 2009 to 2013 and was again elected as a Council member in 2017 for a term of four years. He has also held several Board positions.



CA. Manoj Fadnis is President of Confederation of Asian and Pacific Accountants (CAPA) for the term Nov 2017 to Nov 2019. He was elected as President of the Institute of Chartered Accountants of India, (ICAI) New Delhi for the year 2015-16 and as the Vice President of the ICAI for the year 2014- 15. As President, he was the Chairman of all the Standing Committees, Disciplinary Committee and the Board of Discipline of the ICAI. He was also the non-executive Director of the Insurance and Regulatory Development Authority of India (IRDA), Member of the National Direct Taxes Advisory Committee of the Central Board of Advisory Committee. He is also a Member of the Small and Medium Practitioners Committee of IFAC. He has held representation and strategic positions at various forums such as the Company Law Committee set up by Ministry of Corporate Affairs Government of India and Directorship in many Boards including the State Bank of Indore.



Mr. Moazzam Ahmed is a Senior Country Officer in Pakistan for the International Finance Corporation (IFC), a World Bank organization. He has been working in Pakistan for the last 12 years, managing the Karachi office for IFC in addition to managing IFC portfolio companies in the manufacturing sector. Moazzam has also been involved in conducting transactions in MENA and Africa regions. Prior to IFC, Moazzam was a consultant with Cap Gemini Ernst and Young for over 10 years, in Chicago office. He was involved with CGEY's strategy division and involved in developing strategies for fortune 50 Pharmaceutical companies in the US; Moazzam has also been involved in a number of start-up in the United States and Pakistan.



Dr. P V S Jagan Mohan Rao is a member of the IFAC Professional Accountants in Business (PAIB) committee. He also serves as a central Council Member of the Institute of Cost Accountants of India and as Vice President of the South Asian Federation of Accountants. Dr. Rao has previously served as National President of the Institute of Company Secretaries of India, a member of the National Advisory Committee on Accounting Standards, a member of Accounting Standards Board of SEBI and a member of Company Law Committee and Committee on Banking & Insurance of Federation of AP Chambers of Commerce and Industry in India. He has held the positions as Director (Finance), CFO, Vice President (Finance) & Company Secretary and worked with several organizations including Nagarjuna Construction Company Ltd, Karvy Consultant Ltd, and the Naandi Foundation. Dr. Rao obtained his Doctorate in Capital Markets from the School of Management Science - JNTU - Hyderabad.



Ms. Rasmimi Ramli is Deputy Executive Director of Professional Practices & Technical at MIA. She is responsible for finance and technical activities which includes public sector and financial reporting. She is a member of the Government Accounting Standards Advisory Committee (GASAC), a committee that develops public sector accounting standards in Malaysia. Rasmimi develops draft responses to the International Public Sector Accounting Standards Board (IPSASB) consultation documents and writes technical articles and publications on public sector. She actively participates in working groups and task forces on the Malaysian accounting standards and provides technical assistance to the World Bank Group on IFRS transition projects. She was a Technical Advisor of the IPSASB from 2013 to 2015. She spent 8 years with major audit firms in Malaysia and United Kingdom (UK). Prior to joining MIA, she was an Internal Audit Manager with a major telco. Rasmimi is a Chartered Accountant of MIA and a Fellow Member of ACCA. She graduated from Cardiff University, UK.



Mr. Riaz A. Rehman Chamdia is a Fellow Member of ICAP. Mr. Riaz qualified in 1993 and is serving as Country Leader Audit & Assurance (Designate) in EY Ford Rhodes, Chartered Accountants, a member firm of Ernst & Young Global since past 19 years. Mr. Riaz has been elected as the President of ICAP for the term 2017-18. He has also has been elected as a member of the Council for the terms of 2013-17 and 2017-21 and Vice President for the term 2013-14. He has also served as a Member of the Southern Regional Committee from 2009-2013 and as CPD Convener, Honorary Secretary and its Chairman. Mr. Riaz has also served as Chairman of the Accounting Standards Committee and Examinations Committee and served as a member of several committees of ICAP.



Mr. Saad Kaliya is Partner in A. F. Ferguson & Co (a member firm of the PwC network) and leads the practice of Technology Consulting and Risk Assurance. An experienced professional and a thought leader with over 25 years of extensive experience both locally and internationally, he started his carrier in assurance, however, chasing his passion, he moved to lead the technology practice of the firm. He has been involved in setting up firm's IT department and headed for more than 10 years where he gained an insight into working practices and security requirements for running an IT department. Saad has been involved with the provision of broad and diversified range of services to multiple clients on IT due diligence, information governance, technology strategy, IT GRC, IT risk assessment, ERP project implementation, business continuity planning and IT disaster recovery management. He has fondness in articulating, designing and implementing business solutions including data analytics and BI.



Dr. Shamshad Akthar, former Finance Minister of Pakistan and Governor of State Bank of Pakistan has broad based development experience of about 37 years at leading multilateral institutions: including the United Nations, the World Bank and the Asian Development Bank and served as Governor of Central Bank of Pakistan. Development experience is spread over Asia, and Middle East and North Africa.

Areas of expertise range from macroeconomic policy management to sector specific policies, legal and regulatory frameworks development and implementation. In addition to macroeconomics including growth policies, public finance and monetary policy and management, have advised various governments and the private sector in specific areas of public and private sector governance, poverty, privatization, public private partnerships and energy, agriculture and other sectors. Over the years also advised a number of countries on financial sector (both banking and nonbank sectors) policy, legal and regulatory frameworks and conducted assessments of central banks.



Dr. Suvod Kumar Karn is the President of SAFA and has also served as Past President of the Institute of Chartered Accountants of Nepal. He is a Fellow Member of the Institute of Chartered Accountants of Nepal, Institute of Chartered Accountants of India and CMA Sri Lanka. He is also a fellow member of Common Wealth Association of Accountants. He was also the Chairman of Committee to study Fiscal regimes and other statutory requirements of business in SAARC countries and a member of Small and Medium Practices Committee of SAFA. He was also on the Board of SAFA for the period 2010-13 and 2016 and the Securities Board of Nepal (SEBON) from 2008-09 and was the financial advisor Water Tariff Fixation Board – Govt. of Nepal in 2008-10 and on the Board of. He is also the Chairman of Nepal Accounting Technicians Board. Dr. Karn has been in public practice for over 24 years and has specialisation in the area of internal and statutory audits.



Syed Moonis Abdullah Alvi was appointed **CEO of K-Electric** in June 2018 and has more than 28 years of diversified experience in the finance industry, with a focus towards driving operational efficiencies, financial planning and capital restructuring. Mr. Alvi joined K-Electric in 2008 and has served as K-Electric's Chief Financial Officer. He has also served as KE's Company Secretary and Head of Treasury and has played an integral role in the transformation of K-Electric. He is a Fellow Member of the Institute of Chartered Accountants of Pakistan.



Dr. Waqar Masood Khan, former Federal Secretary for Finance Division, is an eminent economist with wide-ranging experience of both public and private sectors. He has held several prestigious positions in the Federal Government including Special Secretary to the Prime Minister, Secretary Finance Division, Secretary Economic Affairs Division, Secretary Petroleum & Natural Resources and Secretary Textile Industry. Apart from having several institutional and personal publications to his credit, he has authored two books on the subject of elimination of Riba (interest) from the economy. He served on the Boards of Directors of many local and international financial and banking institutions including the State Bank of Pakistan, National Bank of Pakistan and Islamic Development Bank, and has also represented Pakistan as the alternate Governor in IMF, World Bank and Asian Development Bank.



Mr. Yacoob Suttar is DMD Finance and CFO of Pakistan State Oil Company Limited. He is a Fellow Member of the Institute of Chartered Accountant of Pakistan and the Institute of Cost and Management Accountant of Pakistan. With over 30 years of professional work experience he served as the President of the Institute of Chartered Accountants of Pakistan for the term 2014-15. He has recently been elected to the Board of International Federation of Accountants (IFAC) for the term 2018- 2020. Mr. Suttar joined Engro Chemicals Pakistan Ltd in 1988 and worked in various positions with them for over 17 years. Later Mr. Suttar joined Pakistan State Oil Company Limited (PSO) as Executive Director (Finance & IT) in 2005. Mr. Suttar served as MD and CEO of Asia Petroleum Limited from Feb, 2013 to Feb. 2018.



Ms. Yolanda Tayler is a Practice Manager in the Solutions and Innovations in Procurement (SIP) Department of the World Bank's Governance Global Practice (GGP-SIP) where she leads the Bank's public procurement reform efforts in the Middle East and North Africa (MENA) countries and oversees the delivery of the procurement function in the entire regional portfolio. Yolanda was a recipient of the 2017 World Bank Group Staff Association Excellence in Leadership Award, a distinction granted to about a dozen managers on a yearly basis. She led the coordination of the implementation of the new Procurement Framework Bank-wide on behalf of SIP. She has led the development of a number of World Bank Group procurement policy publications, such as standard bidding documents and technical guidance notes, and directed the dissemination strategy and capacity building efforts of those publications. Her World Bank publication, *Battling HIV/AIDS: a Decision Maker's Guide to the Procurement of Medicines and Related Supplies*, was a ground breaking compendium that unblocked Bank financing to **increase access to life-saving** antiretroviral drugs in the developing world.



Mr. Zia-Ul-Mustafa, FCMA, President ICMA Pakistan, has exposure of over twenty years in corporate and public sector organizations. Presently; he is serving as Chief Financial Officer & Business Administrator of Pakistan Expo Centers Private Limited, a corporate entity owned by the Government of Pakistan. He is also Chairman of SAFA Committee on Governmental and Public Sector Enterprises Accounting. He also served as elected Board Member of Pakistan Institute of Corporate Governance (PICG) for three years and as Member Board of Directors of Zarai Taraqati Bank Limited with additional responsibility of Chairman, Board Audit Committee for a period of three years. Mr. Zia ul Mustafa is known for his initiatives taken for the accountants' community especially for Management Accountants. In recognition of such achievements under his leadership; ICMA Pakistan received the FPCCI Best Achievement Award from the President of Pakistan in the year 2014.

