AFRICAN ASSOCIATION OF ACCOUNTANTS - GENERAL
ASSOCIATION AFRICAINE DES COMPTABLES - GÉNÉRAUX
ASSOCIAÇÃO AFRICANA DE CONTADORES GERAIS

SUSTAINABILITY REPORTING AND AGS

QnA - Broadening Reporting Role of Accountants-General Department to Embrace Sustainability Reporting

1. How important is the issue of developing skills capacity for AGs across Africa to ensure they can manage the transition to sustainability reporting?	**Current Accounting Landscape**: Traditional financial reporting, while important, now needs to incorporate Environmental, Social, and Governance (ESG) factors to assess an organization's long-term viability and impact. This shift requires AGs to expand their expertise beyond historical financial performance. **Challenges to be faced by Accountants-General in Onboarding Sustainability Reporting:** • **New Frameworks and Standards:** Existing accounting frameworks often lack provisions for capturing ESG data. AGs must familiarize themselves with new standards like the Global Reporting Initiative (GRI) Standards, IFRS-SS…which define the content and format of sustainability reports. It is important to note the Association will position itself in anticipation of the processes by International Public Sector Accounting Standards Board to develop the equivalent of IFRS S 2 in the second half on 2025. • **Data Collection and Measurement**: Sustainability reporting involves non-financial data such as greenhouse gas emissions and

community engagement metrics. AGs need skills to collect, analyze, and ensure the reliability of this data alongside financial information.

- **Internal Control and Assurance:** Accountants-General must adapt the existing internal control frameworks to cover ESG data effectively. They need expertise in assessing control effectiveness and providing assurance on the accuracy and completeness of sustainability reports.

- **Integration and Consolidation:** Sustainability information must be integrated with financial reports for a holistic view. Accountants-General should understand how to consolidate and present this information consistently and transparently.

Benefits of Skilled AGs in Sustainability Reporting:

- **Enhanced Credibility and Reliability:** Skilled AGs can provide assurance on the quality of sustainability information, boosting investor confidence and stakeholder trust.

- **Improved Risk Management:** Understanding ESG factors allows for a comprehensive risk assessment, leading to better decision-making and risk mitigation.

	• **Compliance with Regulations:** Many African countries are introducing regulations mandating sustainability reporting. Skilled AGs ensure compliance and mitigate potential penalties. • **Achieving greater alignment with SDGS:** Sustainability reporting aligns with the UN's SDGs and the sustainable development aspirations under Agenda 2063. By adopting sustainability reporting, Accountants-General can contribute to the attainment of the these goals and promote responsible Government and by extension business practices. This serves to enhance the global stunding of the nations of Africa. **Developing Skills Capacity:** Investing in training programs and workshops is essential to equip AGs with the knowledge and tools needed for effective sustainability reporting. These programs should cover: • Technical aspects of sustainability reporting frameworks. • Data collection and analysis methods for non-financial information. • Internal control frameworks tailored to ESG data. • Integration of sustainability information with financial reports. • Communication skills for presenting complex sustainability information to diverse stakeholders. **Conclusion:**

	Developing skills capacity for Accountants-General in Africa is not just an option; it's necessary for a successful and credible transition to sustainability reporting. Enhanced expertise among AGs will play a vital role in promoting transparency, responsible business practices, and sustainable development across the continent. By investing in training and capacity building, African nations can strengthen their financial management systems and contribute meaningfully to global sustainability efforts.
2. What kind of benefit will sustainability reporting provide to African Governments?	Here are some key benefits that sustainability reporting can provide to African governments: **Enhanced Transparency and Accountability:** Sustainability reports disclose a wider range of information beyond just financial performance. This includes environmental impact, social responsibility practices, and governance structures. This transparency fosters accountability to citizens, investors, and other stakeholders. **Improved Decision-Making:** By considering ESG factors alongside financial data, governments can make more informed decisions about resource allocation, infrastructure development, and policy initiatives. This can lead to more sustainable and equitable development practices.