DIGITAL DISRUPTION
Are you prepared for the next digital revolution?

WHY INVEST IN AFRICA?

ACCA UNVEILS ENHANCED NEW ETHICS MODULE

WILL FEMALE PROFESSIONALS HAVE TO WAIT 95 YEARS FOR EQUAL PAY?
DIGITAL DISRUPTIONS AND SWEEPING CHANGES CHALLENGE FINANCE FUNCTION

Technological innovations are rapidly replacing the human function with digital automation in virtually every sector and industry. The digital revolution is making its way into the global financial industry. From time immemorial, the world has experienced numerous digital innovations, just never to this extent.

Humans have created all sorts of technologies for decades now, all with intent to make our personal and professional lives a little easier but, could man have created his own replacement? Should we be concerned for our jobs?

CHALLENGING THE HUMAN FINANCE FUNCTION

We cannot deny the disruptions presented by digital technology. The Finance function, for example, accounting systems transitioned from manual systems to computer-based transactions and data based systems, which simply means businesses will no longer rely on human processing, which in fact, is prone to error. What does this mean for those in the finance profession? It simply means effective corporate governance.

DIGITAL DISRUPTIONS AND EFFECTIVE CORPORATE GOVERNANCE

The board has the responsibility to implement an excellent Risk Management tool that will ensure that any potential risks that occur within a business also look at an opportunity.

The biggest risk of all would be to turn a blind eye on the waves caused by digital disruption. The rise of digital technology should not only be looked at as a threat, it should also be an opportunity to realign your skillset. It is about how to “keep yourself relevant” explained Honey Shangase at the 2017 ACCA Member Convention. Finance professionals cannot rely solely on their financial skills, it is just not feasible in this technology infested generation.

This is an opportunity to expand key and critical skills that are bound to keep you employable. Technology has always created new jobs while eliminating old ones, we just need to keep ahead of what robotics can do.

“Traditional accounting skills will always be relevant, however a finance person who is open to Technology will always be more relevant.” - Christine Shongwe, Senior Manager, Standard Bank Group

Change is inevitable; we cannot avoid it and hope it goes away. Digital is here to stay and we better start using it to our advantage, take social media for example; according to a study released by We Are Social, the number of active internet users in South Africa has steadily increased to 24.9 million*. Professional Online profiles are becoming the go-to place for silent networking, this is an effective marketing platform at the hand of technology that should be used to the maximum.

“Boards who choose to ignore or minimise the importance of disruption oversight responsibility do so at their own peril.” - Roman Zyla, Corporate Governance Lead, Africa International Finance Corporation (IFC)

*Global active internet users estimated at 3.2 Billion
TECHNICAL REVOLUTION - THE AFRICA FRONTIER

Technology is still at infancy in Africa, the history that is trailing behind Africa has had an impact on its growth rate and development in various sectors. Take, for instance, the imposition of colonism, African modes of development were forever impacted by the colonial political structure, which in turn affected the general growth rate in the continent.

Due to the historical trail, Africa has had Economic, Political and Educational deficiencies that make technological innovations a difficulty. Despite all this, the middle class in Sub-Saharan Africa is expanding rapidly with the seemingly unstoppable growth of the mobile phone, greater access to the internet, and an increase in access to education, change is happening, and more people have more disposable income to spend. Now, consider some of the most life-enhancing innovations created on home soil.

“Technology is opening up African markets that have long been closed or did not previously existed.” - Jim Forster, Cisco Engineer

TELERADIOLOGY

Kenyan medical doctors Emmanuel Mukoya and Ndii Kanake alongside computer science graduate Ruth Wangari recognised that radiologists who are qualified to correctly interpret x-rays and scans are in very short supply in Africa, their findings led to the development of the Teleradiology.

The three developed the Teleradiology that enables radiologists to read and report on x-rays and scans for many physicians with quicker turnaround. They are able to carry out their readings from their offices, homes, or from anywhere in the world thanks to a new distance radiology application, Teleradiology, developed by Medisoft East Africa Ltd.

AGRIMANAGR

Agriculture is one of the largest sectors in Africa, Founder of Kenya’s Virtual City Group, John Waibochi, developed Agrimanagr, a mobile app with associated programs that assist with automating produce purchasing transactions.

Agrimanagr facilitates the weighing, grading and receipting of produce gathered from farmers at rural or urban collection centers throughout the country. This App allows purchasing agents to pay the farmers via cashless transactions through M-Pesa accounts on their phones. The App is complete with the ability to automatically reward frequent and favored suppliers with bonuses and premium services.

CHARGING SHOES

Kenyan inventor Antony Mutua recently developed the charging shoe, this technology is designed to charge phones using the power generated from walking. This invention consists of a thin crystal chip that is fitted on the sole of the shoe. As a person walks, electricity is generated through the pressure that is exerted from the sole.

The chips carry the current through an extension cable that extends from the shoe to the phone. Africa has made significant development over the years in the technology sector, it is fast picking up pace and innovation continues to grow.

A continent that has long accepted technological hand-me-downs from the West is increasingly innovating for itself.

WHAT IS THE NEXT STEP FOR CFO’S?

With the CFO moving away from traditional skills to become a business partner, many are preferring to stay put rather than view the role as a stepping stone to the top.

Would you like to read more on this article? Click here: http://bit.ly/2oxcRuV
DID YOU KNOW?

What functions can ACCA members in public practice perform in SA?

By virtue of the recognition that ACCA has as a professional body in South Africa, members in practice can provide the following range of services:

• Register with SARS as tax practitioners and provide tax services to individuals and companies;
• Perform independent reviews for non-owner managed companies with a public interest score between 0 and 99;
• Prepare financial statements for all types of companies as an “independent accounting professional;”
• Prepare financial statements for close corporations and report on compliance in terms of section 62 of the Close Corporations Act;
• Prepare financial estimates, financial statements and reports for a body corporate with less than 10 units;
• Assist trustees to comply with provisions in the trust deed, common law and legislative requirements which usually include keeping a record of accounts, producing financial statements and reporting thereon;
• Prepare reports on the financial statements for public schools where an audit is not practical;
• Prepare a solvency certificate and RV9 form on behalf of insurance intermediaries to be submitted to the Intermediaries Guarantee Facility Limited;
• Report on whether a NPO has complied with the provisions of the Non Profit Organisations Act.

ACCA Practising Certificate

An ACCA member is authorised to provide a range of general accountancy services to individuals and businesses, including business and tax advice and planning, preparation of personal and business tax returns, set up of book-keeping and business systems, providing book-keeping services, payroll work, assistance with management accounting help with raising finance, budgeting and cash-flow advice, business start-up advice and expert witness. ■

PROGRESS WITHIN THE EDUCATION TEAM (PART1)

ACCA South Africa was accredited with the FASSET SETA as a Quality Assurance Partner until August 2016. Due to regulatory changes FASSET and QCTO now share the regulation of ‘Quality Assurance Partners' in South Africa.

ACCA SA is quality assured through QCTO.

The ACCA qualifications are accredited and registered with SAQA on the National Qualifications Framework (NQF) including the ACCA Qualification at Level 8, indicating its position at postgraduate level. ACCA also has Learnerships with FASSET.

Further details on the Education Recognition of ACCA and ACCA’s qualifications is available at:

PROGRESS WITHIN THE EDUCATION TEAM (PART 2)

ACCA Practising Certificate
Pearson (previously known as MGI) is one of the largest Universities in South Africa and the first in South Africa to become an approved learning partner. This will be very beneficial for our ACCA students as the University already has a teaching platform in place and well known within the South African market.

ACCA has 12 CBE centres in South Africa. All ACCA exams will be CBE based by September 2018. New exam centres will be announced shortly.

To view details of our current exam centres click here: http://bit.ly/2oXeqpn

ACCA STUDENTS DEMONSTRATING THE RIGHT SKILLS, KNOWLEDGE AND BEHAVIOUR

As part of the PER (Practical Experience Requirement), ACCA Students will achieve performance objectives* to demonstrate that they can apply the knowledge, skills and behaviours developed through the exams syllabuses to real-life, work activities.

ACCA is setting a new standard by fully integrating deep, broad and relevant technical expertise with ethics and professional skills, through the Strategic Professional. ACCA Students will become strategic, forward-thinking professional accountants, equipped with the unique blend of skills needed to hit the ground running, and add immediate value to their employer. The change in the ACCA qualification will be effective as from September 2018.

Options exams – a unique opportunity to specialise
Our Options exams remain available, offering the unique opportunity to specialise in areas of greatest relevance to a chosen sector or career path. The advanced specialist expertise gained builds on the broad, cross-sector relevant, technical foundation that all ACCA students acquire.

Learn about the exams within Strategic Professional
Essentials (Replacing P1 – P3)

• Strategic Business Reporting
• Strategic Business Leader

Options (Pick 2)

• Advanced Financial Management
• Advanced Performance Management
• Advanced Taxation (UK)
• Advanced Audit and Assurance (INT)

or Msc

Opt for the MSc Professional Accountancy from University of London to achieve the MSc and the ACCA Qualification. For more detailed information visit: http://bit.ly/2oULQVW

NOT BAD FOR 113!
ACCA turns 113 this year, here are some interesting facts about the Association:

ACCA was established on 30 November 1904 making ACCA, 113 years old.

It was Arthur Priddle (first President) of ACCA who helped to establish our unique core values: opportunity, diversity, innovation, integrity and accountability.

ACCA members are young and ambitious - over 51% are under 40 years old.

ACCA has grown from 12 500 members in 1970 to 178,000 in 2015.

In 2015 ACCA Launched ACCA-X - a multi-award winning online learning programme to support learners everywhere. ACCA - X offers a high quality, innovative digital learning platform that is both affordable and fleixible.

To view more on ACCA-X click here: http://bit.ly/1d0xVTt

DISCOVERY ACCA’s LATEST RESEARCH HERE:
CHINA STEPS UP MEDIA CHARM OFFENSIVE ACROSS AFRICA

By Hangwei Li and Jacquiline Muna Musiitwa

In recent years, China has made greater efforts to use soft power to spread its global influence. Improving soft power through the media is a focus for Beijing. In Africa, China’s media presence has grown in line with its deepening economic and political ties with the region over the past decade.

Now, China’s state-run international broadcast arm is undergoing a revamp. In December 2016, the country’s main state-run television network China Central Television (CCTV) launched a new international media platform called China Global Television Network (CGTN).

CGTN is “a multi-language, multi-platform media grouping” intended to re-brand CCTV’s various international offerings and to streamline China’s messaging to the world.

The network has 70 reporting teams worldwide at a time when most Western media outlets are cutting back their international bureaus. Xinhua, the Chinese government’s official news agency, has 28 bureaus in sub-Saharan Africa alone.

The CGTN rebrand is part of a wider soft power push by the rising nation. President Xi Jinping’s participation at the World Economic Forum’s meeting in Davos in January - the first time a Chinese president has attended the event - shows this agenda is a top priority for the country’s leadership.

And while China is seeking global buy-in for its vision for the global political order, relations with developing countries are the bedrock of Chinese diplomacy, according to statements by Foreign Ministry spokesperson Geng Shuang.

This is especially visible in African countries. Chinese foreign minister Wang Yi recently finished a diplomatic trip to five African countries. In fact, China’s foreign minister travels to Africa as his first foreign trip annually. This has been a diplomatic tradition for China over the past two decades.

Media influence is seen as increasingly important both to shape perceptions and to counter backlash from critics in Africa who view this approach as overly utilitarian. China’s main aim is still to continue brokering deals for access to key natural resources and to fuel rapid industrial growth at home.

However, some editors are wary that African journalists participating in these programmes are losing objectivity when it comes to evaluating China’s activities in Africa.

While sometimes controversial, China’s influence across Africa - both soft and hard - is working to its advantage on the global stage.

In 2016, when the dispute between China and the Philippines over land claims in South China Sea escalated, 39 African countries voiced support for China’s position.
WHY INVEST IN AFRICA?

Resource-rich Africa is quickly growing its economy in all circles, this continent has a significant advantage as it is a pioneer in the list of Continents with the most natural resources. Africa has rich resources in oil, natural gas, minerals, food and arable land. It has a land mass equivalent to Europe, the U.S, India, China, and Argentina combined. Natural resources in Africa are consumed both in Africa and in neighboring continents.

Africa has moved from being the continent that supplies resources to a continent that consume its resources in an economically beneficial way.

The current economic state of Africa makes it investor worthy, take, for example, South Africa, it is the economic powerhouse of Africa and forms part of the BRICS group of Countries with Brazil, Russia, India, China, and Argentina combined. Natural resources in Africa are consumed both in Africa and in neighboring continents.

Countries such as Nigeria, Ethiopia, and the DRC have highly favourable consumption growth, mainly streaming from their very large populations.

**Agriculture**

Africa has a global advantage in the agricultural sector, it is home to more than half the world’s agriculturally usable land, and only 10% of that land is used leaving more than 60% of unused land. Agriculture is an untapped investment opportunity that is channelled to be a major economic growth driver within the next 5 years.

**Power**

Many African countries struggle with high costs, low capacity power outages. For example, almost 90% of Liberia has no electricity.

However, Liberia has an advantage of six major rivers; Saint John, Saint Paul, Mano, Lofa, Cavalla and Cestos River. The rivers drain over 60% of the country’s water presenting an opportunity for investing in hydroelectricity.

10 FACTS ABOUT AFRICA

By Matt Rosenerg

Africa is an amazing continent. From its start as the heart of humanity, it is now home to more than a billion people. Learn about the continent of Africa below from these ten amazing and essential facts about Africa:

**No.1**

The East African Rift zone, which divides the Somalian and Nubian tectonic plates, is the location of several important discoveries of human ancestors by anthropologists.

The active spreading rift valley is thought to be the heartland of humanity, where much human evolution likely took place millions of years ago. The discovery of the partial skeleton of "Lucy" in 1974 in Ethiopia sparked major research in the region.

**No.2**

If one divides the planet into seven continents then Africa is the world’s second largest continent covering about 11,677,239 square miles (30,244,049 square km).

To continue reading facts 3-10, click here: http://bit.ly/2oEbivg

SECTORS FOR INVESTMENT

**Retail**

The African Retail sector is fast growing making a significant contribution to the income distribution. The continent has vast consumer consumption environments that are target to various industries.
SOUTH AFRICA REVERSES WITHDRAWAL FROM ICC

By Norimitsu Onishi

South Africa has revoked its decision to withdraw from the International Criminal Court, citing in a letter submitted to the United Nations a recent court ruling that declared the withdrawal “unconstitutional and invalid.”

It was not clear, however, if the South African statement on Tuesday meant that the country had abandoned intentions to leave the international court, or if it was seeking another way to do so.

Two other African countries, Burundi and Gambia, had announced plans to leave the court despite intense international pressure to stay, although Gambia reversed its decision last month. Supporters of the court fear that such withdrawals — especially by South Africa, one of the court’s staunchest early supporters — would lead to an African exodus from the tribunal.

The South African government of President Jacob Zuma has long criticized the international court as being biased against African states and, in its most recent public statements, the leadership has maintained its aim to leave the organization.

To read further click on the following link: http://nyti.ms/2mlbUHl

AUTOMOTIVE INDUSTRY - SA’S PREMIER EMPLOYER?

South Africa has one of highest unemployment rates in the world, sitting at a high of 26.5% at present.

High levels of unemployment put pressure on the general efficiency of an economy, affecting even the employed. When there is diminutive money to spend, a cyclical economic problem forms. Businesses and employees are affected by a decline in the number of goods consumed.

Despite all these factors, South Africa is still considered one of the Top 10 most developed countries in Africa, it has an economy that is ranked the second largest in the African economies. This is mainly because South Africa has multiple industries contributing to its economy, the Automotive Industry being a giant amongst these.

The Automotive Industry contributes over R210bn in the South African annual GDP, placing over 660,000 jobs and R84.5bn in wages. It is largely based in the Eastern Cape, Gauteng, and Kwa-Zulu Natal.

Populaces in these provinces rely largely on this industry and its sub-industries, according to the AIEC’s report, it is estimated that each direct automotive job supports at least five other indirect jobs.

Click on the link to continue with the article: http://bit.ly/2p7SYLd
SA LAW REGULATING THE EMPLOYMENT OF FOREIGNERS

The employment of foreigners in South Africa is regulated by the Immigration Act 13 of 2002, as amended (“the Immigration Act”).

The Immigration Act provides for the admission of foreigners to, their residence in and departure from South Africa and matters connected therewith including the ability of foreigners to work in South Africa. The Immigration Act is supplemented by the Immigration Regulations which underwent significant changes in May 2014, specifically in relation to work visas.

The Employment Services Act 4 of 2014 (“ESA”), which came into effect in August 2015, further regulates the employment of foreigners. ESA has been introduced to promote employment, encourage productivity, decrease levels of unemployment and provide training for unskilled workers. One of the specific aims of ESA is to facilitate the employment of foreign nationals in a manner that is consistent with the objects of the Immigration Act.

The ESA has various mechanisms for improving employment levels in the country and providing workers with access to training opportunities. Notably, the ESA accords jurisdiction to the Labour Court to deal with issues relating to the employment of foreigners and also confirms the sanctions for non-compliance as set out in the Immigration Act.

In addition the Labour Relations Act 66 of 1995, as amended (“the LRA”) is applicable regardless of the legal status of the employee. The LRA governs disputes relating to unfair dismissal and unfair practices in employment and regulates the resolution of these disputes.

The law clearly places the onus on the employer to comply with the relevant legislation and holds the employer liable for non-compliance. It is therefore, necessary that prior to the employment of any foreign person, employers should take legal advice to ensure that they comply with the relevant statutory obligations, including the recently enacted ESA.

To read more on this, visit the government gazette dealing with the Employment Services Act, No 4 of 2014 (ESA) by clicking on the following link: http://bit.ly/2otPzQO

#Junkstatus, now what?

Nicola’s Notes, April 2017

We shouldn’t be surprised that S&P moved early and downgraded SA to junk. What remains to be seen is just what effect this will have on ordinary South Africans.

S&P was only meant to re-examine SA’s credit rating on June 2, and – we all hoped – by then the dust would have settled somewhat after President Jacob Zuma’s shocking – but not surprising – Cabinet shuffle.

That reshuffle, not that it bears repeating, saw Finance Minister Pravin Gordhan and his deputy Mcebisi Jonas axed, to be replaced by Malusi Gigaba – who came from home affairs – and the relatively unknown Sfiso Buthelezi, previously an ANC lawmaker.

We all expected Gordhan to go – it was hardly the government’s best kept secret.

To read further click here: http://bit.ly/2nEKGcP
GEOPOLITICAL ROWS PUT GLOBAL SUPPLY CHAIN AT RISK

Global supply chain risk has reached its highest level in nearly a quarter of a century, and looks set to rise this year. Timothy Conley reports.

Economic nationalism, populist movements and the increased purchasing power of China’s middle class put international supply chains at risk in 2016. According to the Chartered Institute of Procurement and Supply (CIPS) index, a composite indicator of the pressures acting on supply chains worldwide, global supply chain risk has reached its highest level in 24 years.

The CIPS index quantifies assessments from 132 countries across nine different categories to determine global supply chain risk. This year, the index reveals that global supply chain risk rose from 79.14 at the end of 2015 to 82.64 by the close of 2016, Conley states.

Repeated natural disasters revealed stark regional differences in the resilience of global supply chains, according to the latest CIPS Risk Index. Both South Africa and Ethiopia are struggling to cope with the prolonged drought caused by the El Nino weather system, but Sub-Saharan Africa’s low contribution to the global supply chain means the region only contributed 2.47 of the 79.8 points of risk this quarter, Andrew Allen observed.

Geopolitical risks and economic instability around the world have contributed to supply chain uncertainty. These movements call for the implementation of restrictive trade measurements, which will likely lead to protectionist trade policies and threaten existing European supply chains.

“The first step to building resilient supply chains is to identify what those risks are. This year, the CIPS index indicates that the global supply chain risk will continue to rise. The United Kingdom’s decision to leave the European Union and the election of Donald Trump reflect a growing trend of protectionism in the global economy. For this reason alone, supply chain risk is set to increase further in 2017.” - John Glen, CIPS economist and senior economics lecturer at the Cranfield School of Management

The CIPS Risk Index is operated by commercial data provider Dun & Bradstreet and analyses the socio-economic, physical trade and business continuity factors contributing to supply chain risk across the world.

Scores are weighted according to that country’s contribution to global exports.
WILL FEMALE PROFESSIONAL IN THE OECD HAVE TO WAIT 95 YEARS FOR EQUAL PAY?

The average time to close the pay gap at current rates of progress amongst OECD countries is of 95 years, according to a research by PwC.

PwC has published its annual Women in Work Index, which measures levels of female economic empowerment across 33 OECD countries.

This year’s index revealed the gender pay gap in the OECD is at 16%, however figures vary greatly depending on countries and sectors. South Korea, Japan and Germany report the largest pay gaps at 36%, 26% and 22% respectively. On the other hand the smallest pay gaps are found in Poland (7%), New Zealand (6%) and Slovenia (6%).

The UK has surpassed the average performance of both the OECD and G7 economies due to increasing female employment rates, according to PwC. However despite the gender pay gap in the UK narrowing, PwC’s research shows that based on a continuation of historical trends it will take until 2041 (24 years) to close it.

Financial services has the largest gender pay gap in the UK, with women on average paid 34% less than their male counterparts, according to PwC’s research.

Job segregation between men and women, both across industries and job roles, is one of the biggest factors contributing to the gender pay gap, PwC said. To address imbalances, more high quality roles are needed for women in the workplace.

The top six positions on the index have remained unchanged, with Iceland, Sweden and Norway topping the ranking.

Israel has seen the most significant positive movement in its rank since 2000 has it climbed from the 26th spot to the 14th position in 2015. The largest negative movement in the same period was recorded by the USA who dropped from rank 9th to 20th.

Jon Terry, global financial services people leader at PwC, said: “This is no longer just an HR issue or the right thing to do. For firms falling behind in addressing their diversity issues this is becoming a real business risk.”

Laura Hinton, executive board member and head of people at PwC, said: “While it’s encouraging that the UK is making progress on closing the gender pay gap, it is depressing that it will still take around a generation to close it completely.

Pay reporting requirements should help speed up change as businesses will face greater accountability. But merely reporting numbers without any concrete action won’t change anything.”

ACCA UNVEILS ENHANCED ETHICS AND PROFESSIONAL SKILLS MODULE

ACCA launches a new approach to ethics in its latest innovation to the top level of the qualification.

ACCA's new Ethics and Professional Skills module focuses on developing vitally important ethical behaviour and judgement to ensure finance professionals are equipped with the skills needed to support exam success at Strategic Professional level.

ACCA were the first to introduce a compulsory ethics module in 2007. The new module revisions ensure all members have the broader ethics, communication, commercial, innovation, analysis and evaluation skills core to membership and essential for shaping the future of business.

Helen Brand OBE, chief executive of ACCA said ‘We know from the Professional Accountants - The Future research that the world of professional accountants is changing.

To view the full article click on the link provided below: 
http://bit.ly/2nStVf6

PROFESSIONAL NEWS
CAPTURING A DISAPPEARING WORLD
By Lily Rothman, Time Magazine.

When photography was invented in the mid-19th century, France became the nation that could boast providing the landscape captured in the first known photograph — but it didn't take too long for the medium to make its way around the world.

Though photography would capture changing history, or cause history to change, in many places, the timing of its arrival in China proved particularly interesting from a historical perspective.

Travelers from the West brought the technology to Asia in the 1840s, according to the Getty Research Institute's in-depth study of the history of photography in China, and it quickly became popular. At that time, China was ruled by the Qing (or Manchu) Dynasty, the imperial dynasty that had governed the vast nation since the 17th century. Photography's arrival in China in the 19th century occurred just at the right moment to capture a way of life that would largely disappear when the Qing Dynasty fell from power in the early 20th century.

Even before the coming of revolution around the end of 1911 and the subsequent abdication of the emperor, China was — like the rest of the world in the century of industrialization, but in its own special way — beginning to modernize and shed its old ways of life.

However, thanks to the coming of photography, what that way of life looked like was preserved.