

Lesotho Institute of Accountants

THREE YEAR STRATEGIC PLAN

2009 - 2011

1. Executive Summary

1.1 Introduction

The Lesotho Institute of Accountants (LIA) is a statutory body established by the Accountants Act no. 9, 1977. The Act mandates the Institute to regulate education and training of accountants as well as the practice of accountancy profession in Lesotho.. In terms of the Act, the management of the affairs of the Institute is entrusted in the Council.

In November 2008, Council decided to engage in a process of strategic planning, the result of which forms the content of this document. The plan maps out the direction the institute is to follow in the next three years 2009-2011, in order to achieve certain desired results. This is done in the context of a number of challenges facing the Institute such as: limited resources and lack of capacity to discharge its mandate, outdated laws and legislation, lack of appreciation and support for the profession by business and public at large etc. the envisaged plan is expected to yield certain results some of which are:

- Increased confidence in the profession through enhanced regulation
- Financial sustainability
- Diversified Education and training programs.

1.2 Strategic Direction

The LIA has established the following strategic intents to guide its activities in the next three years:

a. Vision

To be a world class regulatory and professional accountancy body in Lesotho, that is an organization of choice to best serve the interests of its local and international stakeholders, and which underpins the national economic development

b. Mission

To develop, enhance and effectively regulate the accounting profession in Lesotho through:

- (i) Provision of internationally recognized relevant education and training programmes, as well as ensuring compliance
- (ii) Provision of career and development opportunities for our staff in order to enhance the public and all stakeholders' confidence in the accountancy profession
- (iii) Creating value for members of LIA

c. Values of LIA

- **Ethical**

The ethical values that the LIA will promote and cultivate throughout its membership will be characterized by the following:

- (i) Independence
- (ii) Integrity
- (iii) Objectivity
- (iv) Discipline

- **Technical and Professional Competence**

In the discharge of their tasks and responsibilities, members of the institute are required to display a high degree of Technical and professional competence.

- **Transparency and Accountability**

In all the processes that the LIA and its members will get involved, transparency and accountability are considered to be of cardinal importance.

- **Human Capital Investment**

The LIA attaches a great value to its members and staff, and will in that connection ensure that opportunities are created for up-skilling and continuous improvement for members and staff.

- **Social Responsibility**

Cognizant of its responsibilities as a corporate citizen, the LIA will be on the cutting-edge of the effort to create awareness of topical issues in the accounting and financial sector, and will ensure that its programmes are appropriately responsive to social, environmental and gender issues as pronounced by the competent authorities in the country.

- **Proactive Role**

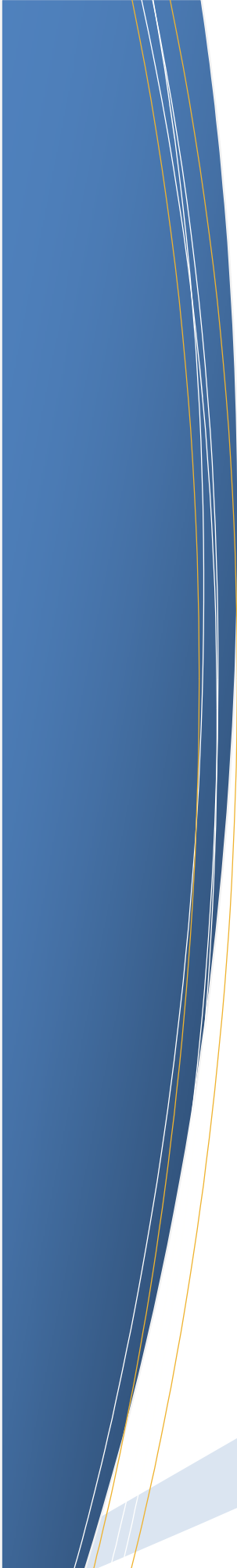
The LIA will play a lead role on matters that fall within its competence or sphere of influence.

d. The Planning Environment

An environmental scan undertaken together with the SWOT analysis crystallised the following challenges facing the LIA , and the Strategic Plan to be embarked upon should be directed towards resolving / mitigating them:

- (i) Practices and attitudes**

- People masquerading as accountants creating a bad reputation for the profession

- 
- Some acts of corruption and fraud taking place with connivance or condonation by some accountants
 - Failure to rise above politics inhibiting performance by some accountants
 - Quick gains attitudes by some accountants
 - Laxity in the total regulatory framework making it possible for malpractices to persist

(ii) Regulatory and Legal Framework

- Outdated laws and legislation
- Inadequate and outdated policies
- Delayed / non-implementation of some regulatory obligations
- Non-enforcement of legislation and regulations by the profession.

(iii) Institutional

- inadequate capacity, i.e. staff, finance and infrastructure
- Inadequate ICT infrastructure
- Poor physical presence
- No succession planning
- Inadequate experienced members in assurance services
- Dependency on government funding
- Inadequate attachment opportunities for students

(iv) Environmental

- Lack of appreciation of the real value of an accountant by the business community and employers.
- Insufficient public awareness of the profession

2. Strategic Objectives

The following objectives have been identified as critical in the next three years for the LIA to effectively discharge its mandate:

2.1 Develop and enhance Internal Capacity

LIA should become a robust and effective Institution

2.2 Ensure Compliance with the Accountants Act, Auditing and Accounting Standards

LIA should discharge its responsibility to regulate effectively

2.3 Maintain sound Stakeholder Relationships

LIA should be able to enhance relationships with business partners through quality service

2.4 Develop and Implement Training programs that respond to Market needs

2.5 Create Value for Members

3. Key Strategic Initiatives with relevant strategic Initiatives

3.1 Develop and Enhance Internal Capacity

- Negotiate with Government the transfer of the current premises and site to LIA
- Develop and implement LIA financial sustainability strategy
- Review the **LIA structure and processes**
- Provide an enabling ICT infrastructure
- Develop and implement a succession planning strategy
- Review, update and develop administrative policies and procedures
- Align training plan to LIA development needs
- Enhancement of the LIA Governance structures e.g. Council Charter

3.2 Ensure Compliance with the Accountants Act, Auditing and Accounting Standards

- Enhance regulation of the profession
- Adopt and promote understanding of the Auditing Standards through entire membership
- Implement Quality Assurance programme
- Expedite the legal review process and enforce revised legislation

3.3 Maintain sound Stakeholder relationships

- Enhance cooperation with Stakeholders

3.4 Develop and Implement Training Programs that respond to Market Needs

- Enhance public sector accountancy education and involvement in the Institute development agenda
- Develop attachment opportunities for students
- Develop and implement robust and strategic training programs
- Diversification and expansion of the LIA Education and training programs
- Review and implement rigorously the accreditation policy

3.5 Create Value for Members

- Develop and implement a membership attraction and retention strategy
- Review and implement the marketing and publicity strategy
- Develop and implement members voluntary involvement strategy

4. Activities Intended To Achieve The Objectives

In an endeavour to pursue achievement of the objectives of LIA stated in the Strategy document, the work plan, hereunder presented, will be used as a guiding instrument for the period from January 2009 to July 2011. The work plan shall also inform the work plans of the committees of the Council as a whole for the same period.

Abbreviations:

| | |
|------|--|
| CEO | Chief Executive Officer |
| TM | Technical Manager |
| FAO | Finance and Administration Officer |
| MPRO | Marketing and Public Relations Officer |

TABLE 1: WORK PLAN FOR THE 3 YEAR PERIOD FROM 2009 –2011

| OBJECTIVE | GOAL | ACTIVITY | TIMING | OUTPUT/DESIR ED OUTCOME | RESOURCES |
|---|---|--|---|-----------------------------------|--|
| 1. Develop and enhance internal capacity | 1. Negotiate with Government the transfer of the current premises and site to LIA | <p>i. Establish close working relationships with the Principal Secretaries of Finance and Public Works.</p> <p>ii. intensify negotiations with the concerned Government Officials: being the principal Secretary – Public Works and the office of the Government secretary</p> | January – June 2009 | Accountants’ house donated to LIA | President and Presidential Committee |
| | 2. Develop and implement LIA financial sustainability strategy | <p>i. Implement the World bank grant agreement</p> <p>ii. Increase membership</p> <p>iii. Get sponsorships from business communities</p> <p>iv. Advertise on the LIA media such as the Website and Journals</p> | <p>February 2009</p> <p>Ongoing</p> <p>March 2009</p> <p>March 2009 onwards</p> <p>July – Dec. 2009</p> | Financial Stability | <p>CEO, FAO, TM</p> <p>MPRO, Education and Training committee, marketing and Promotions committee and the Presidential Committee</p> |

| | | | | | |
|--|---|---|---|------------------------------------|---|
| | | <p>v. Identify and present proposals for new donors</p> <p>vi. Get more income from accreditation system</p> | Jan. 2010 onwards | | |
| | 3. Review the LIA structure and processes | <p>i. Undertake a review of the LIA structure in line with the functions to be performed.</p> <p>ii. Outsource the services of a consultant to assist in the streamlining of the organisation</p> <p>iii. Review all staff related systems/processes for appropriateness to the newly agreed structure.</p> <p>iv. Fully implement PMS</p> <p>v. Ensure all positions are filled by relevant/appropriately trained people.</p> <p>vi. Identify relevant training programs for staff which require further</p> | <p>May/June 2009</p> <p>July-dec. 2009</p> <p>January 2010</p> <p>2010 onwards</p> <p>Ongoing</p> | A robust and effective institution | <p>Presidential committee,</p> <p>CEO and all LIA staff</p> |

| | | development | | | |
|--|--|--|--|---|--|
| | 4. Provide an enabling ICT infrastructure | <p>i. Carry out an appraisal of the LIA information needs</p> <p>ii. Evaluate the existing IT system against the needs identified.</p> <p>iii. Identify and source consultants to work on the upgrade/reform of the system</p> <p>iv. Train staff on the upgraded system</p> | <p>April – June 2009</p> <p>July 2009- June 2010</p> | Effective IT system providing timely and meaningful information | CEO, FAO, TM, and other staff members, presidential Committee and External Service providers |
| | 5. Review, update and develop administrative policies and procedures | <p>i. Review existing policies, procedures and working practices for adequacy and completeness</p> <p>ii. Identify areas where policies do not exist or are inadequate</p> <p>iii. Update policies where there is a need for change.</p> <p>iv. Formulate and document new policies and procedures where</p> | <p>April – June 2009</p> <p>July 2009- June 2010</p> | An up to date manual of policies and procedures | CEO, Presidential committee and other staff members |

| | | | | | |
|--|---|---|----------------------------------|---|---|
| | | appropriate v. Implement | July 2009- June 2010 | | |
| | 6. Develop and implement a succession planning strategy | <p>i. Undertake a critical review of the LIA structure and its suitability for future needs of the organisation</p> <p>ii. Appraise the incumbents for their strengths and weaknesses for future roles and responsibilities.</p> <p>iii. Identify the required resources and training programs for their development</p> <p>iv. Undertake development training for future roles</p> | Jan. 2010 - 2011 | Reduction in staff Turnover , Motivated staff and prospects for career advancement | The Presidential Committee and CEO |
| | 7. Align training needs to LIA needs | <p>i. Identify skills limitations and available solutions</p> <p>ii. Fine tune performance management system and link it to LIA's strategic objectives</p> <p>iii. Identify</p> | July – Sept 2009 On going | Competent staff and increased delivery | The CEO, The President and presidential Committee, LIA Secretariat and External Consultants |

| | | | | | |
|---|---|---|---|---|--|
| | | relevant training programs for staff and service providers iv. Undertake the training | | | |
| | 8. Enhancement of LIA Governance structures | i. Critically review the existing governance structures to establish if there is a need for additional arms. ii. Draft terms of reference for additional structures iii. Implement as appropriate | May/June 2009 July 2009–June 2010 | Streamlined governance structures and processes | The Presidential Committee and CEO and External Consultants |
| | | | | | |
| 2. Ensure Compliance with the Accountants Act, Auditing and Accounting Standards | 9. Enhance regulation of the profession | i. Create a legal capability ii. Develop by-laws. iii. Expedite the legal review process iv. Ensure compliance to laws and regulations by all members v. Enforcement of laws and | March 2009 to June 2009 February 2009 On going Ongoing | A revised and documented Legislative Framework | Technical Manager, CEO, Technical and Compliance Committees and External Consultants |

| | | | | | |
|--|--|---|---|---|--|
| | | regulations | | | |
| | 10. Adopt and promote understanding of the Auditing and Accounting Standards through the entire membership | <p>i. Capacitate Technical staff with skills in the analysis and interpretation of standards.</p> <p>ii. Make standards available to members and business community on various media</p> <p>iii. Publicise latest developments and changes in standards.</p> <p>iv. Hold refresher courses for users of standards</p> | 2009 and ongoing | Capacity built within LIA secretariat, awareness and availability of standards | Technical Committee and Technical department |
| | 11. Implement Quality Review programme | <p>i. Planning reviews and selection of practitioners per each review visit.</p> <p>ii. Evaluation of review reports and follow ups on review findings.</p> | January 2009 and ongoing | Improved performance by practitioners leading to improvement in public confidence | ACCA, LIA CEO and LIA technical Staff. Practice review committee |
| | 12. Expedite the legal review process and implement revised legislation | <p>i. Regular follow ups with the Ministry of Finance for progress on the revision of the Accountants Act.</p> <p>ii. Revision and</p> | <p>January 2009 onwards</p> <p>March – June</p> | <p>Up to date documented Regulatory Framework</p> <p>Increased compliance with the laws</p> | The Technical Department, CEO, Council, Technical Committee |

| | | | | | |
|--|---|---|--|--|--|
| | | <p>formulation of the regulations supporting the Act.</p> <p>iii. Formulation of the bye-laws.</p> <p>iv. Distribution of the revised and updated legislation</p> <p>v. Implementation of the new Act and related regulations to ensure compliance by the entire membership</p> | <p>2009</p> <p>August/September 2009</p> | | |
| | | | | | |
| 3. Maintain sound Stakeholder relationships | 13. Enhance cooperation with stakeholders | <p>i. Implement signed Memoranda of Understanding (MoUs) through joint steering/working committees</p> <p>ii. Design relevant CPD programs to address the needs of members servicing the LIA partners</p> | <p>Ongoing</p> <p>Ongoing</p> | <p>Improved service and relationship with stakeholders</p> <p>Improvement in the skills of LIA members</p> | <p>Technical office, MPRO and External Consultants</p> |
| | | | | | |
| 4. Develop and | 14. Enhance public sector | i. Development of a qualifications | July 2009- June | Structures for public sector | CEO, Technical |

| | | | | | |
|---|---|---|--|--|---|
| Implement Training programmes that respond to market needs | accountancy education and involvement in the Institute development agents | <p>framework for public sector accounting within LIA</p> <p>ii. Development and issuing of terms of reference for a consultancy to develop curriculum and material for public sector accountancy</p> <p>iii. Appointment of a consultant</p> <p>iv. Development of curriculum and materials for public sector accountancy</p> <p>v. negotiating with cooperating partners for the delivery of the programme</p> | <p>2010</p> <p>January 2010 – March 2010</p> <p>April 2010 – Dec 2010</p> <p>As in iv. above</p> | <p>accountants existing within LIA</p> <p>Continued delivery of public sector accountancy in the country</p> | Office, public sector Committee, council and external consultants |
| | 15. Develop attachment opportunities for LIA students | <p>i. Negotiate with more employer organisations to sign into the LIA Trainee program</p> <p>ii. Placement of students into participating organisations</p> <p>iii. Monitoring of students in the</p> | Jan. 2009 Onwards | | |

| | | | | | |
|--|--|--|--|---|---|
| | | <p>training program</p> <p>iv. Continuation of negotiations with employers to increase the base of those participating</p> | | | |
| | 16. Develop and implement robust and strategic training programs | <p>i. Develop a series of CPD courses specifically designed to equip LIA members with specialised skills e.g. forensic investigations etc.</p> <p>ii. Run a series of courses on those areas identified as requiring specialised skills.</p> | July 2009 onwards | <p>Enhanced skills and delivery of services from LIA members.</p> <p>Increased public confidence in LIA members</p> | <p>Technical office, CEO, Technical Committee, Education committee, External consultants</p> |
| | 17. Diversification and expansion of the LIA education and training programs | <p>i. Enhance and fast track negotiations with SAICA, UNISA and NUL for a joint scheme with SAICA</p> <p>ii. Augment core curriculum to respond to anti fraud and anti corruption education needs</p> <p>iii. Development of core curriculum for Tax planning</p> <p>iv.</p> | <p>February 2009 onwards</p> <p>2009-2010</p> <p>2009-2010</p> | <p>Wider pool of programmes for students to choose from</p> | <p>Education and Training Committee, Technical Office, CEO, Council, External Consultants</p> |

| | | | | | |
|------------------------------------|--|---|--|---|---|
| | | implementation of the newly developed curriculum | 2010-2011 | | |
| | 18. Review and implement rigorously the accreditation policy | <ul style="list-style-type: none"> i. Critical review and revision of existing policies on accreditation. ii. identification of further areas requiring a policy on accreditation iii. Development of accreditation policies for different programmes iv. Enforcement of accreditation policies | <p>June 2009 – August 2009-02-09</p> <p>September 2009 – December 2009</p> | <p>Existence of policies.</p> <p>Income generation from accredited programmes</p> | Education and Training committee, Technical Office, CEO, Council. |
| 5. Create value for members | 19. Develop and implement a membership attraction and retention strategy | <ul style="list-style-type: none"> i. Create public awareness and promotion of the profession ii. Advocacy for improved recognition for LIA members by employers, government and business community at large. iii. Liaison with employers for employment opportunities for | <p>Ongoing</p> <p>Ongoing</p> | <p>Increase in membership by 50% in 2010</p> <p>Satisfaction by members</p> | <p>CEO, MPRO, Marketing and Promotions Committee,</p> <p>Editorial and publications Committee</p> |

| | | | | | |
|--|--|---|--|--|---|
| | | <p>LIA members.</p> <p>iv. negotiating with business on behalf of members for special privileges for LIA members</p> | <p>April 2009 onwards</p> | | |
| | <p>20. Review and implement the marketing and publicity strategy</p> | <p>i. Assessment of the current strategy for relevance and validity</p> <p>ii. Prioritisation of strategies and identification of resources.</p> <p>iii. Formation of task teams and development of their terms of reference.</p> <p>iv. Sourcing of funds required to implement the strategy</p> | <p>Feb. – April 2009</p> <p>As above</p> <p>As above</p> <p>July – December 2009</p> | | <p>Marketing and promotions committee, MPRO,CEO, presidential Committee</p> |
| | <p>21. Develop and implement members' voluntary involvement strategy</p> | <p>i. Improvement of benefits for members</p> <p>ii. Introduction and enhancement of activities which</p> | <p>2009-2010</p> | <p>Increased voluntary involvement by members in the activities of the Institute</p> | <p>Marketing and promotions Committee, MPRO, CEO, Presidential</p> |

| | | | | | |
|--|--|--|--|--|------------|
| | | recognise members' participation in LIA's affairs. e.g. presidential awards. | | | Committee. |
|--|--|--|--|--|------------|