

Japheth Katto (IFAC Board member) for Göran Tidström, President
The International Federation of Accountants
Africa Congress Of Accountants
Globalization – Implication for Accountants in Africa
November 7, 2011, Nairobi Kenya

Let me first start by paying special tribute and conveying our gratitude as Accountants in Africa and globally to His Excellency the President of the Republic of Kenya, Hon Mwai Kibaki for honouring the Africa Congress of Accountants with your presence which clearly shows your interest in and the importance you attach to the accountancy profession in Kenya, in Africa and globally.

I would like to thank the Institute of Certified Public Accountants of Kenya for organizing this pivotal event. The Institute of Certified Public Accountants of Kenya has been playing an increasingly significant role in the accounting profession in Africa and globally and I would like to thank them and encourage them to continue taking a leadership role in the accountancy profession. In particular I would like to recognize and appreciate the significant role ICPAK and its members play in the global profession as reflected by the presence of its members on many IFAC boards and committees, one of the highest among the African Member Bodies. It would not be fair if I didn't mention the exceptional role played by ICPAK member Ndungu Gathinji in IFAC over many years. Ndungu introduced many of us to IFAC and I am personally truly indebted to him.

I am delighted to be here to represent IFAC and speak at the inaugural Africa Congress of Accountants. Göran Tidström, President of IFAC would have liked to be here in person today but due to circumstances beyond his control was unable to join us and he asked me to convey his sincere apologies.

This is the first Africa Congress of Accountants and it serves to show case the accountancy profession and demonstrates that together, we are taking a collective step forward for the accountancy profession in Africa, and we are driving Africa's growing presence in the world economy.

Earlier this year, IFAC was proud to be at the launch of PAFA—the Pan African Federation of Accountants—in Dakar, Senegal. The formation of PAFA demonstrates the commitment of the African accountancy profession, acting in the public interest, to strengthen its means of collaboration, to further develop the profession, and to support the emerging economies on the continent. These efforts toward constructing continental unity will help the economies of Africa thrive globally.

With the theme of this Congress being “Accountancy and Infrastructure in Africa”, I would like to briefly shift into some discussion about financial infrastructure – and the different ways that globalization affects it.

Financial infrastructure can take many shapes. The financial infrastructure supported by IFAC relates to the development of high-quality international standards in auditing, assurance, and quality control; ethics; public sector accounting; and accounting education. We also provide support and guidance to professional accountants in business and small and medium practices, as they support small- and medium-sized entities, which represents a critical sector for economic growth and stability, particularly in Africa.

Another key aspect of supporting economic development is the profession’s role in driving forward the values of transparency and accountability and fighting the deep-rooted corruption that continues to plague many areas of Africa and other parts of the world.

While Africa, like India and China, have not been completely disconnected from the recent cycles of financial crisis rattling the economies of Europe and the US, a shift in international trade brought forward by globalization has uniquely impacted developing countries. According to HSBC Global Research, “A network of new “South-South” trading routes connecting Asia, the Middle East, Africa and Latin America are set to revolutionize the global economy.” As a key part of the infrastructure in Africa, accountancy will pave the way to embrace these new trade opportunities.

I would like to take some time to talk about some current initiatives at IFAC that are advancing our profession.

In 2011, IFAC continues to pursue its vision: that the global accountancy profession is recognized as a valued leader in the development of strong and sustainable organizations, financial markets and economies.

Part of this is actively contributing to the debates regarding audit policy underway in Europe and the US—always seeking to achieve global solutions to economic issues and nurture public trust of the profession. Last month IFAC submitted a letter to the G20 addressing three major areas: 1) public sector financial reporting and management reforms; 2) global regulatory convergence; and 3) development of integrated reporting.

Governance and sustainability are also key elements in achieving IFAC's vision. IFAC continues to lead the sustainable development of a global accountancy profession, and works to strengthen developing economies and support their participation in our international forums of knowledge sharing.

We also are closely involved in the International Integrated Reporting Committee, or IIRC, which is working to build a globally accepted framework for integrated reporting.

It pleases me to note that Africa has some of the predominant drivers in sustainability and integrated reporting. Positioning businesses for sustainable growth is of significant interest not only in Africa, but all around the world.

Bolstering support to emerging and transitional countries that require support and expert advice to develop strong national economies is an imperative component of IFAC's goals. In addition to the launch of Pan-African Federation of Accountants in May, the anticipated Memorandum Of Understanding between IFAC and the donor community – which we plan to sign next month - represents a tangible outcome our long standing collaboration with the World Bank and other key donor agencies and demonstrates how IFAC is actively addressing the most significant matters that impact our profession and the global economy today. I would expect that the African profession will play a major role in the development of activities under this ground breaking MoU, which aims to build financial infrastructure in private and public sectors in developing countries.

Once more, I would like to offer my gratitude for the invitation to speak at such a significant event today. The inaugural Africa Congress of Accountants has successfully constructed a forum to share ideas that will shape the future direction of accountancy across the continent, and the world.

Again, let me express Göran Tidström regrets for being unable to attend in person today. He was hoping to wear the fine traditional “Boubou” that was presented to him in Senegal at the launch of PAFA in May – he was looking forward to displaying both IFAC’s and his own personal solidarity with the African profession. Nevertheless, please be assured that IFAC remains deeply committed to Africa. We will continue to our work together and look for every opportunity to be with you – in Africa –and around the world in the months and years ahead.

Thank you.

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