

SPEECH DELIVERED BY THE DIRECTOR-GENERAL OF THE SECURITIES AND EXCHANGE COMMISSION, REV. DANIEL OGBARMEY TETTEH AT THE OPENING CEREMONY OF THE SECOND INDUCTION CEREMONY OF THE INSTITUTE OF CHARTERED ACCOUNTANTS, GHANA, HELD AT THE LABADI BEACH HOTEL ON THURSDAY, 3RD OCTOBER, 2019

Mr. President, Council Members, the Chief Executive Officer of ICAG, Inductees, the Media, and Distinguished invited guests, Ladies and Gentlemen:

I feel greatly honored to be part of this important ceremony that ushers in the programme to prepare our newly qualified Accountants for the world of business in their new role as Chartered Accountants.

I would like to congratulate the new Chartered Accountants for successfully going through the course of study with all the hard work and sacrifice required in such professional training endeavors. Well done, but may I quickly submit that this is only the beginning, a means to an end. I trust that most, if not all of you, have some great expectations on the kind of career you would make, the contribution you will bring to bear on the practice of accountancy in this nation and beyond, plus of course, the good money you will make. My little piece of advice to you all is that at all times and in every place, do your best, be your best and don't exit the room of improvement.

Mr. President, it is important to underscore the critical role accountancy plays in business and especially in the securities industry. Investment decisions that take place in the capital market depends on reliable financial information published by issuers which are prepared by Accountants and certified by Auditors, which adds credibility and thereby reduces information asymmetry. This gives confidence to asset owners.

The SEC, as the regulator of the capital market, depends greatly on the ICA to regulate the market as far as financial reporting is concerned to achieve our mandate of protecting investors and the integrity of the market. This relationship is enshrined in the Securities Industry Act, 2016 (929). Section 197 (1) (a) of the Act states ***“A person who is an issuer of public securities and a person licensed under this Act shall prepare accounts in accordance with internationally accepted accounting standards adopted by the Institute of Chartered Accountant, Ghana”***. The Act goes on to state in S197 (2) ***“Accounts prepared under subsection 1 shall be audited in accordance with auditing standards adopted by the Institute of Chartered Accountant, Ghana”***.

Mr. President this is the why I was excited by your invitation which, to me, is a recognition of the symbiotic relationship that exists between the ICA and the SEC in the regulation of the financial markets. It is on this note that I would like to congratulate the ICA also as the certifying body of this very important human resource without which the financial markets cannot function effectively and efficiently. In the same breath, I therefore encourage the Chartered Accountants to update themselves with the requirements of our securities laws in order to function effectively in the securities market as S197 (1) (b) requires that the accounts referred to in S197 (1) (a) shall be prepared in accordance with ***“additional accounting rules and standards prescribed by the Commission”***. ***The Act also imposes a duty on the Auditor in S.165 to report to the Commission when he becomes aware of a prescribed matter in the performance of his function as an auditor within seven days after becoming aware of the matter.***

Mr. President, to further cement the collaboration between our two institutions, I would also like to commend the ICAG for taking time to review the draft Guidelines on registration of auditors and submitting comments to the SEC in 2018, which have

gone a long way to shape the final draft Guidelines which will soon be issued in accordance with S.146 of Act 929. The Guidelines will seek to monitor the conduct of ICAG licensed Auditors who do business in the securities industry. Permit me to reiterate that after the issuance of these Guidelines, only the Auditors registered with the Commission will be allowed to audit licensees or products that are under our regulation. It is our considered opinion that these Guidelines will augment the Institute's general oversight of audit practice in the country.

My dear inductees, there is no doubt that your new status as Chartered Accountants imposes on you greater responsibilities which may require that you do not limit your role only to record keeping but also to producing management reports that will guide the executives in taking informed decisions that would inure to growth of the businesses they manage.

Mr. President, permit me to also touch on financing options available to firms and other economic agents. Traditionally, finance managers often resort to the banks for additional financing for their companies whenever the need arises. It is an incontrovertible fact that it takes long term finance, i.e. patient capital, to finance growth and expansion of enterprises. I would therefore like to invite and challenge our new Chartered Accountants to seriously explore and tap into the capital market for alternative financing, especially, medium to long term instruments to finance business expansion and also ensure that their businesses achieve the appropriate finance mix/capital structure for profitable operations.

Mr. President, the public sector in most African countries lack Chartered Accountants and other professionals in adequate numbers and quality to propel their economies to growth, and by extension, also posing a threat to a country's public financial management system. It is therefore a welcoming news to have more

professional Accountants being produced and I believe that some will respond to the call for more professionals in the public sector to reduce the shortage. I would therefore urge those of you who will join the public sector to regularly update yourselves with the Public Financial Management Act, 2016 (Act 921), Public Procurement Act, 2003 (663), Income Tax Act, 2015 (Act 896) among others and related Regulations, and apply them to promote transparency, accountability and integrity of the public financial system as your contribution to eliminating corruption in the country.

Furthermore, I would like to encourage the inductees to uphold the motto of the Institute **“Integrity”** in all their dealings by balancing ambition with being content with their remuneration and avoiding fraudulent practices including ‘cooking books’ for parochial selfish interests.

Mr. President, in bringing my address to a close, I would like to commend the Institute for sanctioning four (4) audit firms for non-compliance with auditing standards during their audit of seven (7) banks who were placed under receivership in 2017 and 2019 by Bank of Ghana. This is a highly commendable action and worthy of emulation; and I urge you to keep it up to weed out unfit Accountants, thereby promoting the integrity of financial statements signed by our auditors, and consequently the integrity of our financial markets.

I once again congratulate all the inductees and wish you well in your careers. Thank you for the attention and God bless us all.