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**OPINION: The role of accountants in African development**

*Accountants control the floodgates of prosperity in Africa,  
but it is by our integrity and effort that we earn the right to open them.*

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With the Chinese economy slowing, commodity prices falling and the global economy stagnating, worldwide investment opportunities are scarce. But the last decade has seen a rising wave of optimism over Africa's growth potential, and global investors are keen to uncover its riches. To realise its prosperity, Africa must first confront the obstacles that prevent investors from committing themselves.

Accountants have a central role to play in confronting these obstacles and ensuring the development of Africa.

The International Monetary Fund (IMF) suggests that although medium term growth prospects in Africa remains favourable, substantial improvement is required in the recalibration of fiscal policy (including the efficient use of national budgets), better domestic revenue mobilisation, and improving and prioritising the quality and efficiency of public investment.

South Africa is in the green because our fiscal policy is sound. We just need to keep our budget in check to ensure government debt remains a low percentage of GDP. Our revenue is also being judiciously invested in infrastructure, with the top five government priorities being healthcare for all, better education, enhanced crime prevention, rural development, and job creation. In South Africa, public investment is lively, with the government spending a fair amount of its budget on social services and public infrastructure.

However, we also face growth challenges.

Corruption – real or perceived – is a threat to the continent's development. Additionally, in South Africa, unemployment continues to be unacceptably high, not for lack of jobs but rather a skills shortage in specific sectors from which the field of accounting is not exempt.

As for poverty and inequality, financial and human resources must be effectively deployed to address the following challenges, intimately linked to both conditions: optimising Africa's

natural resources, tackling illicit financial flows, increasing effectiveness of public expenditure, and attracting private funding. This is a daunting task if a country lacks the requisite skills to mobilise its resources.

In spite of this, South Africa is well positioned to spearhead growth in Africa as envisioned by the IMF.

Good resource management is one of the most effective ways to alleviate poverty. But it requires that those charged with the responsibility have the following core skills: good understanding of ethics and governance, good financial management, and transparency and accountability.

A true accountant must have all these competencies. If even one is missing, they cannot prudently manage scarce resources, and poverty alleviation initiatives will suffer. In addition, as the people responsible for preparing information, auditing, consulting and advising, accountants are essential to the success of both the public and private sector in Africa. Weighty decisions are taken on their advice or the management information they prepare.

It's in the context of these opportunities and challenges that the accountant becomes a growth enabler. At the South African Institute of Professional Accountants (SAIPA), we try to counter these challenges by emphasising competency-based training, so that after students pass our professional evaluation exam, they are employable. They possess not just theoretical understanding but also the capability to solve real world problems as a practitioner, and so become go-to business advisers.

Skills gaps exist in both the private sector and in government, particularly at the local government level. It is for this reason that SAIPA places a special focus on equipping the big metros to train students so they can do their articles in the public sector. For municipalities to be awarded a clean audit by the Auditor General's office, they need highly skilled professional accountants who perform their duties without fear or favour. It's encouraging that in the future, all municipal managers will have to earn a special qualification before being appointed to that position. Clean government starts with top-level leaders.

Accountants are the champions of right record and should be beyond reproach. To continually earn this trust accountants must work tirelessly to maintain a faultless reputation and root out bad elements.

Solutions such as the reversal of illicit financial flows, attraction of foreign direct investment, growth and development of the SME sector, and enhancement of the effectiveness of foreign aid, all depend on suitably qualified and regulated accountants.

The main challenge facing the accountancy profession on the African continent and in South Africa is capacity building. Not only increasing the amount of available accountants, but elevating professionals to hold accountability, transparency, and good governance in highest regard.

Strengthening the accounting profession and the public financial management capability are critical to this end. It takes strong, ongoing collaborative effort between all the stakeholders – academics, business, government, students and parents, accountants, and professional bodies that emphasise continuous professional growth, research and development, and compliance with best practice.

Currently, more than 46% of African countries do not have a professional accounting organisation. Those that do are not yet functioning according to best practice.

Ultimately, the role of the accountant is to provide indisputable financial structure and processes, unquestionable record of transaction, and incontestable strategic intelligence. When we can do this at scale, we will pave the way for investor confidence.

Accountants therefore control the floodgates of prosperity in Africa, but it is by our integrity and effort that we earn the right to open them.

**PHOTO CAPTION:** *Bongani Coka, Chief Executive of the South African Institute of Professional Accountants (SAIPA)*

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