



**REMARKS BY FCPA FERNANDES BARASA ICPAK CHAIRMAN, DURING
2015 ICPAK CHAIRMAN'S BALL ON FRIDAY, DECEMBER 11TH 2015 AT
SAFARI PARK HOTEL, NAIROBI.**

Your Excellency Hon. MwaiKibaki, the former President of Republic of Kenya

Former ICPAK Chairmen present,

Council members

Fellow CPAs

Invited Guests,

Ladies and Gentlemen,

Your Excellency,

It gives me immense pleasure to welcome you this evening, to this auspicious occasion when ICPAK once again marks another important milestone in its 38 years history. Let me offer special thanks to you for graciously accepting our invitation to grace this year's Chairman's Dinner. Your presence here tonight is sentimental not only to me as ICPAK Chairman, but also to over 22,000 ICPAK members both in Kenya and abroad.

Your Excellency, as you may recall Thirty Seven years ago, and specifically on Friday, 17th November 1978 at KICC, you presided over the inauguration of the Institute of Certified Public Accountants of Kenya.

The day was a culmination of your efforts and vision which made you to appoint the Party on Accountants Legislation. You also required the committee to advise on the modalities of establishing a board of registration of accountants that would comprise of both government and professional representation as well as establishment of an Institute that would look into the regulation of professional activities. The Committee, Chaired by FCPA Pascal Denis, who is still an active member of the Institute, did not disappoint.

Your Excellency, your vision eventually gave rise to this great accounting Institute. Its report culminated in the passing of The Accountants Act 1978, (Act No.531 of 1978). We owe you a lot of gratitude for your stewardship and leadership. Let us be up-standing and recognize the contribution of His Excellency to our profession!

Your brainchild has now come of age. With a paltry membership of 400 members in 1978, the Institute has grown by leaps and bounds with over 17,000 members. ICPAK is one of five largest Institutes in Africa.

Standing on the Shoulders of Giants

It is important to note that the Institute is what it is today owing to the countless hours of honorary volunteer service by countless men and women, who have given their time to ensure the profession and ICPAK is where it is today. This is not only amazing but I believe is what sets us apart from other professional bodies. These men and women are driven by the simple fact that they want the Institute to succeed in its vision “A Globally Recognized Professional Accountants Institute. “We cannot forget the contribution of our founding fathers, the giants of our profession on who’s their shoulders we stand today. FCPA Stanley Mbugua our first Chairman, and all subsequent Chairmen and their respective councils in the following order: FCPA KassimLakha, FCPA Joe Githongo, the Late FCPA Mathias Keah, FCPA Daniel Ndonge, FCPA Joe Muchekhehu, FCPA Ndung’uGathinji, FCPA James N. Muguiyi, FCPA Charles D. K. ArapKirui, FCPA Sammy O. Onyango, FCPA Nguru M. Wachira, FCPA Martin OtienoOduor, FCPA Amos M. Kimunya, FCPA Michael G. Waweru, FCPA Rose Ogega, FCPA Joe Wangai, FCPA Steve Lugaliala, FCPA Michael Itote, FCPA Patrick Mtange and my predecessor FCPA Benson Okundi.

Your Excellency,

The importance of this Ball Dinner is to recognize the contribution of members and profession in Kenya. The event’s theme which is “*Recognizing Professional Support*,” blends well with the mission of the Institute which aims at bequeathing to Kenya unrivalled professional services not only in the East African Region but in Africa as well. This theme was chosen as a way of refocusing on efforts made by the Institute to position itself as a trusted professional body that is ready to assist the country to attain its Vision 2030 and other development related priorities.

Your Excellency, the vision of this country is to become a prosperous industrializing economy by the year 2030. In order for us to attain this vision,

we need to continually improve the financial infrastructure in Kenya. This can be done by the Government at all levels through the implementation of the PFM Act and other related public finance laws. An improved financial infrastructure will result in efficient capital and money markets which will in turn attract foreign investment into our economy.

However, in order to attract and retain foreign investment, we need to have the ability to provide investors with transparent information that will result in efficient investment decisions, higher returns and greater investor confidence. Without confidence, investors will simply find somewhere else to invest their money. High quality, investor oriented and transparent financial reporting attract both seekers and providers of capital. This is where accountants come in, to ensure the provision of reliable and transparent financial information to potential investors and other users of financial statements.

Your Excellency, I am certain that members of ICPAK will take pride in helping to improve the financial sector in Kenya. This is continuously being done through standard setting. I recognize the fact that Accounting standards provide the foundation for the production of high quality financial information. As you are aware Kenya has already adopted International Financial Reporting Standards (IFRS's) in full and that all members of ICPAK are obliged to ensure compliance with IFRS.

I wish to state here that as much as it is important to follow international standards, these need to be reviewed for their relevance and practical application locally. It is also important to look at their relevance to small and medium enterprises where compliance may place additional burdens on operations.

Allow me Your Excellency to bring up the issue of ethics in our profession. To maintain the reputation of our profession, all accountants should uphold good ethical and professional standards as custodians of financial resources. There is also the need to ensure that financial matters are prudently managed in organisations for we have seen an increase in reported cases of accountants involved in unlawful practices which does not reflect well on the profession.

The 2008 Accountant Act

Notwithstanding, allow me to note that the Institute is working closely with key stakeholders in order to review the Accountants Act. The review has been occasioned by market dynamism of the Accountancy profession. Additionally, several developments have taken place both locally and internationally.

This is a positive development for the regulation of the Accountancy profession in Kenya. I note that the proposed Bill prescribes the relevant qualifications for

accountants and also provides for disciplinary action against accountants found guilty of misconduct and corrupt practices. It is my sincere hope that the enactment of the Accountants Act will deter potential offenders and will also ensure that accountants found guilty of malpractice receive the appropriate punishment.

We are called upon to adhere to strict and uncompromising ethical standards, adopt a broad institutional and/or corporate perspective in our work, advise on policy and operational issues, and play custodial and trusteeship roles that demand moral courage.

We are challenged to be world class technical experts in financial analysis and to communicate our findings and their implications. We are also challenged to keep abreast with changes in our profession, such as the international accounting and financial reporting standards, and advise our principals in a timely manner.

The benchmarks for excellence in all these areas are set by international technical standards and evolving best practices. Of all the professions, ours is no stranger to the need for lifelong learning as we update our professional skills. We are more keenly aware than most of yesterday's expertise and knowledge is today's ignorance. Going forward, we are called upon to get more involved in cross-cutting issues of good governance and economic development.

As we review this Act, ICPAK is committed in ensuring that accountability threshold remains high in our profession. In regard to the ongoing Constitution implementation and legislation reforms, we shall continue to advocate clear definition in regard to hierarchy of responsibilities and roles of institutional structures.

This arrangement should eventually reinforce checks and balances as part of risk mitigation; it should prevent a potential conflict of interests, while ensuring fulfilment of fiduciary responsibilities and avoiding dereliction of duty. In the end, however, transparency and accountability must be buttressed by a set of institutional values and ethical codes of conduct, such as honesty, selflessness and integrity of the highest order.

Conclusion

Your Excellency as I conclude let me remind my fellow CPAs of the need to redouble our efforts in strengthening the existing governance infrastructure

and redressing the inadequacies. History must not be allowed to repeat itself so far as the ravages of the financial and economic crises are concerned.

Needless to add, the accounting profession has a lot to offer in this endeavour. Indeed government entities and the corporate world need accounting skills more and more each passing day.

At national and international levels, each one of you is called upon to meet high standards of technical competence.

Finally let me thank my Council members, the Chief Executive CPA Dr. Patrick Ngumi and his team for putting together this event with its related logistics. To our guests, thank you for joining us and we trust that the event will live to your expectations.

Now it is my honour and privilege to invite His Excellency MwaiKibaki, the former President of the Republic of Kenya to the stage so that the Institute can confer him with an award of Honorary Membership.

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Indeed, you are the only non-accountant to have been granted honorary membership and you truly deserve this honour. Fellow CPAs, ladies and gentlemen I know present to you H.E MwaiKibaki HCPA.

Thank you and God bless you all.

FCPA FERNANDES BARASA

Chairman-Institute of Certified Public Accountants of Kenya (ICPAK)