

AFIIA 2017



**KEYNOTE ADDRESS BY
HON. YAW OSAFO-MAAFO,
SENIOR MINISTER, THE REPUBLIC OF GHANA
AT THE CLOSING CEREMONY OF (AFIIA 2017)
THE 4TH AFRICAN INTERNAL AUDITORS INTERNATIONAL CONFERENCE
FRIDAY, MAY 19, 2017 @ ACCRA INTERNATIONAL CONFERENCE CENTRE**

*Hon. Ministers of State, Hon. Members of Parliament
Madam Angela Witzany, Global Chairperson of the Institute of Internal Auditors
The Chairman & Members of the Governing Council of AFIIA
The Auditors-General of Ghana and Liberia
The President & CEO of the Institute of Internal Auditors Global Headquarters
Past Global Chairpersons of the Institute of Internal Auditors
Distinguished Leaders of Internal Audit Institutes from across Africa
The President & Governing Council of IIA Ghana, the host Institute
Heads of Institutions
Internal Auditors and other Delegates
The Media
Distinguished Guests
Ladies and Gentlemen:*

Good Afternoon,

It is with great pleasure that I also use this opportunity to say a big welcome to all of you who are visiting our Country because of this conference. It is not strange to do so even at this closing ceremony because our tradition of hospitality continues to reign so long as we are meeting for the first time. I am happy to join you this afternoon for the official closing of this very important conference that has brought together internal audit leaders and practitioners from all over Africa. I am particularly pleased to learn that this closing ceremony also brings down the curtain on a very animated week of activities marking the 2017 AFIIA Week

On behalf of the Government and people of Ghana, I wish to express my gratitude for the leadership of the African Federation of Institutes of Internal Auditors for choosing Ghana as the venue for this year's African Internal Auditors International Conference which also coincides with global celebration of the Internal Audit Awareness Month. I am sure that the Institute of Internal Auditors Ghana has been a great host to all of you.

I hope that based on the chosen theme of this conference, you also reflected how to understand and respond to ever more diverse risks and threats of new technology and cyber security in addition to enhancing governance effectiveness with insightful Internal Audit.

It is therefore no surprise to me that I learnt that at the Special Board, CEO and Chief Audit Executive Governance Workshop held on Tuesday, the panelists explored ways of addressing the effectiveness of operational, financial reporting, compliance

controls; corporate governance practices in addition to the professionalism of auditors. I am very grateful that this important subject was given some due attention. I am also extremely happy that, at the same event, both the Auditor-General of Ghana, and the Acting Director-General of the Internal Audit Agency of Ghana renewed the call for resolve of institutions to implement high-quality corporate governance practices, accounting and disclosure standards, and for internal auditors to employ rigorous and sound auditing techniques. Indeed, the suggestion by the Auditor-General to rigorously implement the constitutional obligation to apply surcharges and disallowances on recalcitrant public officials and private sector service providers that partner the State in activities is welcome news indeed.

As a country, we have been fully engaged in expanding the boundaries of good governance by engaging civil society, communities as well as business and public sector leaders to be effective stakeholders in the fight against corruption, poor accountability and lack of demonstration of responsibility in our various countries. Through this policy initiative we have vigorously ensured the constant review of our governance related legislation, worked at strengthening regulatory and administrative institutions. It was in this regard, for example, that we created the Internal Audit Agency to be responsible for the development and regulation of internal audit practice within the public sector of Ghana. We also revamped the public procurement regulations to ensure that all players in the procurement value chain that dealt with the public sector – be they public or private – would adhere strictly to best practices devoid of corruption, malfeasance, unethical collusion and behavior whilst ensuring not only value-for-money but value effectiveness. We have recently passed the Public Financial Management Act to further strengthen financial administration and management of public funds and resources.

Every head of institution including senior public officials and politicians in the Executive arm of Government must, as a matter of necessity, appreciate the internal audit function as one of the fundamental “checks and balances” for sound corporate governance and be very strong advocates of the profession. To these institutional heads, I say to you that the internal auditor who delivers value to prevent wrong-doing may be the one to keep you safely out of scandalous situations that could ruin your career and reputation.

All of these initiatives cannot be stretched to any level without the appropriate introduction of relevant performance enhancing internal controls that would be capable of dealing effectively with incipient risks as they emerge. I cannot stress enough the imperative of all institutions remaining proactive in the risk management battlefield. It is our responsibility to demonstrate readiness to handle challenges decisively as they emerge. There is no better person to assist management to achieve this than the Internal Auditor.

A good internal auditor can help save the institution they serve, huge sums of money through effective findings, observations and proactive and insightful recommendations on how to improve processes and systems. This can however not be achieved if institutions do not also reciprocate with a strong capacity development programme for their internal auditors.

Distinguished Ladies & Gentlemen, the internal auditor is not to be perceived as a law enforcement investigator but rather an embedded internal advisor who has a solid

strategic view of the institution. The days of counting and checking cash are over. The internal auditor of today is multidisciplinary, well-balanced in the mission and vision of the institution and ready to demonstrate a solid grounding of independent-minded judgement, rationality in outlook and good advocacy skill that can earn the trust of management at all times. The world over, internal auditors are being posted from operational departments to strengthen the scope of audit performance with the breadth of knowledge required to give the quality counsel that management and the board needs.

Permit me at this juncture, Distinguished Ladies & Gentlemen, to highlight on the critical role and expectation that the internal audit function may provide valuable input to those responsible for risk management but should not itself have direct risk management responsibilities which should be the full responsibility of executive management.

When we talk about effective and responsible corporate governance, we typically start at the top of the institution, with the board of directors and senior management, and downward through the hierarchy. This, I believe is for good reason. The directors and senior management set the governance tone within institutions and lead the way. It's apparent that boards of directors and senior management have a very full plate these days. They must assess the quality of corporate governance within their organization and ensure that the firm has effective accounting practices, internal controls, and audit functions.

It is my understanding that this 4th AFIIA Conference has been addressed by an array of experts in various fields bordering on Corporate Governance, Risk Management and Control and I hope this augurs well for a growing relationship between the Institute, Governments and Corporate & Public entities. Corporate governance, as we all know, has been under a strong and critical public spotlight in recent years, in the wake of a succession of blows to market confidence and integrity, corruption, fraud and abuse of both public and private entity funds. The expectations of boards and senior management, and of those charged with providing an independent review of a company's operations and financial accounts, have been raised.

To meet those expectations, I am happy to observe that the Institute of Internal Auditors Global has mounted a concerted campaign to improve standards of corporate behavior and transparency through the international harmonization of standards through the International Professional Practices Framework (IPPF), strengthening the principles of corporate governance, lifting the bar on the "fitness and propriety" of Internal Auditors. Let me once again stress that, in this demanding environment, boards and senior management need quality advice from sources that can be trusted and that can offer an objective viewpoint. This is where the role of the Internal Audit function is critical to the sustainability of corporate institutions and the protection of the public purse from financial malfeasance.

I am extremely confident that as I join you to bring this conference to a close, you will carry a few take-away messages home to your various countries:

- a) Never sacrifice the quality of advice you deliver to your Board & management

- b) The bad advice and analysis that you deliver would become part of the reasons for institutional failure
- c) The trust that you build as an auditor is largely depended on the trust that you create and demonstrate when you are in the company of management. That is not to say that the internal auditor must acquiesce to management. He must not. You should rather be bold and forthright
- d) You must be interested in standing up for the fiduciary responsibilities of management and take more than a reasonable care to avoid overlooking important things. Mediocrity is the bane of the bad, unwanted internal auditor.
- e) A lazy internal auditor will certainly lose the right to be treated as a relevant part of the institution. You should not aim to be part of the wood. Your relevance is your ticket to sustained partnership with management and other staff of the institution.
- f) Now more than ever, a robust and objective internal audit function, with the skills to identify risk control challenges and the authority to pursue its concerns, is essential to the proper discharge of the Internal Auditors' responsibilities.
- g) Boards must ensure that their audit committees empower internal audit with an effective quality assurance framework. This becomes increasingly important as institutions grow in scale or mission/mandate diversity and become more complex. As institutions grow, internal auditors must learn new technical skills and be continually alert for emerging gaps or conflicts of interest in the system of internal controls. This often requires that the quality assurance process around the internal audit process become better defined and promptly alert the management and the audit committee to such weaknesses

I am happy to note that the various speakers have forcefully advanced some of these take-aways.

I wish to commend the AFIIA Executive Team, the Global Institute delegation led by Madam Angela Witzany, the Chairman of the IIA's Global Board for their invaluable support and assistance to IIA Ghana.

I trust that delegates will take advantage of this visit to Ghana to see a little bit of our countryside including some of our major tourist sites. I am sure you will carry with you nostalgic feelings about the hospitality of our people. We want you to feel welcome and return to Ghana any time for either business or pleasure.

The ever-increasing pressure on institutions to manage their affairs and risks prudently poses considerable challenges for corporate governance structures and for internal audit, a key line of defence in these structures. Every challenge, however, is an opportunity. For Internal Audit as a profession, the current environment is an opportunity to cement your presence in corporate Africa. The work of AFIIA and, for that matter, IIA Global in strengthening professional standards and education could not be timelier and as Government focuses on financial discipline, dealing effectively with corruption and abuse of public funds, it has our full encouragement. For internal auditors at the coal-face, you have the opportunity – more than that, the obligation –

to demonstrate your skills, your forthrightness and your resolve in the vital role you play.

We have also been emphasising, publicly and privately, that institutions need to maintain their expenditure in risk management systems and resources, including internal audit, and that this vital infrastructure should not be a candidate for short-sighted cost-cutting. The challenges and opportunities for internal audit in this risk-focused environment can perhaps be simply summarized as "*looking at the right things, and just doing things right*".

On this note, I declare the 4th African Internal Auditors International Conference duly closed.

God Bless Africa, God Bless our various countries

Thank you.