



**60<sup>TH</sup> ANNIVERSARY LAUNCH OF THE INSTITUTE OF  
CHARTERED ACCOUNTANTS, GHANA  
THANKSGIVING SERVICE**

**REMARKS BY  
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**ACCRA INTERNATIONAL CONFERENCE CENTRE (AICC)**

**27<sup>TH</sup> JANUARY 2023**



**Mr. Chairman**

**The Chief Executive Officer, ICAG**

**Council Members and Management of ICAG**

**Members of ICAG**

**Distinguished Guests**

**Ladies and Gentlemen**

1. It is a pleasure to join in the 60<sup>th</sup> Anniversary launch of the Institute of Chartered Accountants, Ghana. Let me take this opportunity to congratulate the Institute on this achievement of this milestone. If this Institute were to be a person, this anniversary would have marked the end of an illustrious career. But, 60 years in the life of an institution like the ICAG, rather calls for the promotion of sustainability, deepening trust, and nurturing partnerships as aptly captured by the theme for the Anniversary. Indeed, ICAG has been resilient in the training of accountants and regulating the practise of accountancy and auditing firms, with a total membership in excess of ten thousand individuals and firms. Over the years, the Institute has produced highly qualified accountants and auditors who are serving in various roles in the economy, including the provision of technical support for the Government's annual budget and tax policies, as well as the publication of other technical papers, which have been very instructive in policy making.
2. Mr. Chairman, this new year provides us with an opportunity to reset the economy, as well as the institutions that operate within. Collectively, we managed the challenging economic landscape in 2022, characterised by the lingering effects of the pandemic, tightening of global financing conditions, and spill overs from the Russia-Ukraine war. These severe shocks transited into a global growth downturn and rising inflationary pressures, which prompted aggressive monetary policy tightening to contain the elevated inflation levels.



3. These global developments, coupled with inherent domestic vulnerabilities including increasing public debt levels, culminated into Ghana's credit ratings, which spiralled into an economic crisis. The tight global financing conditions and loss of market access in particular set off intense volatility on the foreign exchange market. Headline inflation rose to historical highs, the Ghana cedi depreciated sharply against the major trading currencies, amid significant loss of international reserves and widened financing gaps. Faced with these economic headwinds, the government resorted to the IMF for financial support to unwind the imbalances and achieve debt sustainability. Significant progress has been made on this front in the last quarter, with a staff level agreement in December 2022. Additionally, the 2023 Budget Statement has committed to reset fiscal policy towards fiscal consolidation. In this regard, new revenue measures and expenditure rationalization have been announced by Government.
4. Mr. Chairman, Distinguished Guests, Ladies and Gentlemen, the key anchors of the expected 3-year IMF Extended Credit Facility will, among others, help restore debt sustainability over the medium term by moving the country's current high risk of debt distress to a moderate risk by 2028. The key reform priorities to help achieve this include large and frontloaded fiscal adjustment underpinned by fiscal structural reforms, pursuit of tight monetary policies to move inflation back to the medium-term target band of  $8\pm 2$  percent, implementation of policies to ensure exchange rate flexibility to allow for the rebuilding external buffers, and additional reforms to build resilience for stronger and more equitable growth.
5. On top of these, Mr. Chairman, structural reforms under the programme have been designed to entrench fiscal discipline and bolster transparency. These will be driven by tighter public financial management, enhanced revenue administration and tax policies, and reforms of State-Owned Enterprises to



ensure efficient management and monitoring processes to safeguard the public finances.

6. With inflation currently at 54.1 percent, tight monetary policies are expected to contain the persistent price shocks in the economy and ease inflationary pressures. Monetary financing of the government deficit, which was pursued to prevent domestic defaults arising from systemic auction failures during 2022 will end under the programme. To achieve this, the Bank of Ghana and the Ministry of Finance will commit to zero financing of the budget in 2023 and beyond. The implementation of these prudent macroeconomic policies is expected to trigger a disinflation path and downward trends in the policy rate, as well as restore the country's reserve buffers to at least 3 months of imports cover by end-2025. When inflation decelerates to single digits, we expect real interest rate of between 3-4 percent and nominal interest rates to range between 11-12 percent over the entire course of the programme.
7. Mr. Chairman, Distinguish Guests, Ladies and Gentlemen, all these projections hinge strongly on the successful attainment of an IMF programme. The staff level agreement was just the first step in the process. The most critical step that will draw the country closer to approval of the proposed ECF programme by the IMF Board is to undertake a debt restructuring programme. Consequently, the Government announced a Domestic Debt Exchange Programme (DDEP) which seeks to guarantee Ghana's debt sustainability over the medium term. The core objective of the DDEP is to harness the fiscal consolidation agenda and its successful implementation is expected to improve the debt metrics, complement the current monetary policy stance, and reset the economy to macroeconomic stability. In anticipation of some adverse effects of the programme on the financial sector, the Bank of Ghana has issued some regulatory interventions to complement the announced Financial Stability Fund, to mitigate the potential impact on regulated financial institutions. Let me use this opportunity to reassure the Institute that the Bank of Ghana will



engage all stakeholders, and make policy interventions where necessary, to ensure the impact on the banking industry is minimal.

8. Mr. Chairman, in line with your theme, specifically, "Nurturing Partnership", I wish to commend the Institute for the key role it played in the processes leading to the implementation of the Domestic Debt Exchange Programme. Your commitment and critical inputs to the entire process has helped to navigate this uncharted path and contributed to the implementation of the DDEP. Such collaborative efforts are critical for national development, and I am hopeful that in the near future, the Bank of Ghana will formally engage the Institute to help institutionalise and "nurture our partnership" to influence policy direction.
9. As gatekeepers of the accountancy profession in the country, users of the financial statements of Regulated Financial Institutions expect the Institute to ensure that Audited Financial Statements are free from material misstatements. This will help deepen investor confidence in the banking industry. The success of the DDEP is critical for the economy and also for the health of the banking sector. In this perspective, we understand that losses have to be recorded with accuracy, in order for the banking sector to recover on a strong footing and for the integrity of banks' reporting to be preserved.
10. Mr. Chairman, the accountancy profession has changed significantly from the days when accountants were referred to as "bean counters" to more of strategic partnership. Accountants are now viewed as strategic advisers, helping to develop and apply data sets and analytical tools to provide real-time insights on how to create and sustain long-term value. No longer record-keepers or assurers of historical data, the accountant is now a business partner and assurer of information. The accounting industry is also fast evolving with the continued usage and dependency on technology. For instance, automation, minibots, machine learning, and adaptive intelligence are increasingly becoming part of the profession, with the deployment of basic automated



accounting processes by several institutions. These technological changes, including instant access to resources, such as cloud data and computing capabilities, calls for continued upgrade of skills and competencies. Mr. Chairman, these changes in the accountancy profession must be fully captured in the Institute's curricula and programmes to ensure that accountants are 'fit for purpose' in the new working environment.

11. Mr Chairman, on top of equipping accountants, the Institute will need to position itself at the forefront of current major developments in the country. Hence, there is need to identify the unique value proposition that the accountancy profession can offer to policy making and national development in the years ahead.
12. In conclusion, Mr. Chairman, Distinguished Guests, Ladies and Gentlemen, the accountancy profession is changing and the 60<sup>th</sup> Anniversary offers a unique opportunity to reset and adapt to the changing times to churn out accountants that fit international standards. On this note, let me once again congratulate you and the Institute for this 60<sup>th</sup> anniversary.
13. Thank you, God bless the Institute and God bless our homeland Ghana.