

CENTRAL BANK OF KENYA



Remarks by

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at the

OPENING OF THE SYMPOSIUM FOR CENTRAL BANK
FINANCE DIRECTORS IN THE AFRICAN REGION

*Kenya School of Monetary Studies
Tuesday, April 1, 2013*

Distinguished Guests;

Ladies and Gentlemen:

1. It gives me great pleasure to be here today to officially welcome all of you to this Symposium for Central Bank Finance Directors in the African Region hosted by the Kenya School of Monetary Studies (KSMS) in collaboration with the U.S. Department of Treasury, Office of the Technical Assistance Banking and Financial Services Program. On behalf of the Central Bank of Kenya, let me extend my warm welcome to all of you who have come in the middle of your very busy schedules to participate in this Symposium. A warm welcome also to those delegates who are coming from other countries, I encourage you to spare some moments to sample our beautiful city and the countryside.

2. The Central Bank of Kenya through the School has established collaborative partnership with International Institutions to offer capacity building initiatives in support of regional integration agenda. In this Symposium the Kenya School of Monetary Studies is leveraging the expertise of the pool of internationally acclaimed facilitators through the knowledge, skills and experiences

developed over the years in the areas of:

- *Corporate Governance in Banking;*
- *Financial Stability;*
- *Business Development;*
- *Processes of Organizational Change and Renewal;*
- *Application and Implementation of International Financial Reporting Standards (IFRS).*

3. *The Symposium is tailored to provide the right mix of exposure to Heads of Finance in Central Banks with leading edge concepts particularly in the area of corporate governance and financial reporting. Delivered by inspirational leaders who have been there and recognized in both the private and public sectors, nationally and internationally, centered on the skills and concepts required to deliver positive business change that will support Central Banks in the 21st century.*

4. *It is important to emphasize here that the Symposium we are commencing here today marks a critical milestone as the event provides an excellent forum for delegates to reflect and debate current and emerging financial reporting challenges affecting Central Banks' performance and service delivery within the region.*

5. *Ladies and Gentlemen: This Symposium for Central Bank Finance Directors in the African Region comes at an*

opportune moment for the Financial Sector. The African Continent is an emerging market with unique challenges and developments. The continent needs to position the practice of sound financial reporting and corporate governance in a manner that meets international best practice and develop solutions that are practical and relevant for Africa. The Symposium also provides an opportunity for delegates to engage in discussions that will complement the presentations by drilling down into specific issues, taking time to share country experiences and learning how their peers are dealing with similar situations.

6. *Ladies and Gentlemen:* Corporate governance being the structure through which an organization is directed, controlled and held accountable, defines a framework of rights, responsibilities, procedures and relationships amongst the various stakeholders of an organization, including its directors, managers, shareholders and regulators. Finance Directors are at the heart of this framework of corporate governance, and can arguably be said to be the most important focal point for ensuring that their respective Central Banks make appropriate strategic decisions that are consistent with their ultimate objectives and mission.

7. *Ladies and Gentlemen:* Further, best practice in corporate governance requires that Members of Senior Management undergo periodic training to refresh their knowledge and skills, in order to become and remain better leaders and change agents of their organizations. This Symposium will, no doubt, play a pivotal role in preparing the Finance Leaders here in attendance for the challenges of the modern, changing and dynamic environment. Over the next four days of active interactive sessions and deliberations, you will refresh and extend your thoughts on a range of subjects of immediate relevance and importance to any Finance Director working in a Central Bank.

8. *Ladies and Gentlemen:* As Africa at large becomes an increasingly attractive destination for investments, the onus is on you, the financial industry regulatory players to tap into the tremendous potential of this Symposium in growing the much needed technical capacity, going forward; and consolidate what you already know; provide a foundation for what you should know and get a flavour of what you might need to know as the environment and all its attendant challenges evolve in the 21st Century.

9. The road has not been an easy one and the Financial

Sector must strive to overcome challenges that include; weak institutional frameworks, low levels of financial inclusion, poor corporate governance, risk management, emerging legal and regulatory frameworks and most importantly, the lack of awareness by the majority of consumers of the reported financial information. Finance Directors can positively contribute to this by demystifying the information content in the financial reports.

10. *Ladies and Gentlemen:* In the current economic climate, many countries across Africa face the dual challenge of stimulating growth in fragile economies while at the same time implementing fiscal discipline. In this environment, therefore, it is increasingly important for Financial Institutions to be financially transparent and for regulators to establish a sound regulatory environment for corporate financial reporting. Corporate financial transparency must also traverse national borders. As highlighted by the financial crisis, economies have become ever-more interconnected and interdependent, with increasingly important regional production networks and high volumes of intra-regional trade.

11. *Ladies and Gentlemen:* It is helpful for Central Banks in the African region to know how their corporate colleagues around the world use International Financial Reporting Standards (IFRS) and have a basis from which to work as the World deliberates on the transition to a new form of Financial Reporting Standards. This change is fueled by global demand from regulators, investors, businesses, and auditing firms for a single set of high-quality accounting standards; demand that is driving increasing worldwide adoption of IFRS and a convergence with internationally generally accepted accounting principles.

12. With these few remarks, *Ladies and Gentlemen*, it is now my honour and pleasure to officially open this Symposium for Central Bank Finance Directors in the African Region. I wish all participants fruitful deliberations as you commence the Symposium.

Thank You and God bless you all