

New body aims to align CFO function across Africa

Within the context of corporate scandals, cyber threats, new technology, transparency requirements and an ever-changing regulatory environment it has become necessary to reassess the role of the chief financial officer (CFO) - what they do and the underlying competencies and qualifications required to perform their jobs. This has highlighted the need for a more supportive network of financial executives in Africa, as well as the globalisation of the CFO role for practitioners on the continent.



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In response to this need, countries such as South Africa, Tunisia, Algeria and Morocco have collaborated to provide greater structure to the CFO job function in the form of an Africa association for CFOs, which will offer better support for the job function, as well as networking opportunities and shared access to information.

Following this, the South African Institute of Business Accountants (Saiba) recently joined forces with similar organisations in Lesotho, Morocco and Tunisia to found a new association that represents and regulates CFOs across Africa, namely the Finance Executive Institute Africa (Feia).

The collaborative effort is aimed at assisting countries without existing CFO associations to develop their own bodies, as well as to create a networking function between financial executives across Africa to share best practices and standardise codes of conduct and competency. This will ensure that companies operating in Africa will receive the same level of service and quality from CFOs throughout the continent.

Africa has to reposition itself

“When African countries gained independence from colonisers, they did not automatically gain a seat at the global table and were not treated as equals. For example, when it came to applying for finance, African countries have to go through European countries.

"This trend continues today and has been exacerbated by the global pandemic and recent recession. Right now, we have another fight for resources on our hands and, sadly, when Africa represents itself, it often loses out to other countries. Where does this leave us? Possibly back in the 1950s when Africa had to reposition itself as truly nationalist and independent from America, Europe and Asia," says Nicolaas van Wyk, Saiba CEO.

To establish independence, Africa needs to align itself not only at a political level, but at a financial level. CFOs on the continent need to become aware of the critical role they play in the bigger picture as financial professionals working in large state-owned entities, international conglomerates and private companies. Nurturing this self awareness amongst financial executives will assist Africa in representing itself at the World Bank, the United Nations or other international financial reporting boards, ensuring the continent adopts an African position that protects its economy.

Uniformity and accountability

While this is a more philosophical reason for developing the African association for CFOs, on a more practical level, the move will enhance uniformity and accountability. "There needs to be a strong feeling of Africa-first. Without this, CFOs will only continue to assist large corporations move money out of Africa and into international economies, something that needs to change if we are going to build a resilient African economy," says Van Wyk.

The positioning of the African continent does not need to be defended or discussed, says Meriam Ben Boubaker, president of Tunisian Association of Management Controllers and Financial Managers (COGEREF). "What we need is an integrated, prosperous and peaceful Africa, ruled by its own citizens and representing a dynamic force on the world stage. The emergence of Africa is key to the achievement of the 2030 Agenda for Sustainable Development and Agenda 2063, which reflects the visionary approach of the African Union working to transform Africa into a world power for the future."

In a turbulent world marked by increasing uncertainties and tensions on the economic level, the African continent offers itself a position of choice in terms of economic attractiveness on the international level, thanks to its assets and its dynamism of growth. "It is therefore necessary to improve the institutional dynamic marked by a desire to accelerate African regional economic integration with the recent announcement of the effective launch of the African Continental Free Trade Area, the adoption of a single currency and positioning Africa as a significant player in the world economy," says Nouredine Elouajih, president of the Northern Financial Club in Morocco.

Feia will support the growth dynamic of the continent through an anticipatory, educational and prospective approach, allowing the emergence of real African financial "know-how" adapted to the technical and cultural specificities of the African environment, which will better meet the growing needs of governments and economic operators.