



EUROPEAN UNION

DELEGATION TO THE KINGDOM OF LESOTHO

**Remarks by Head of Delegation  
of the European Union to Lesotho,  
H.E. Ambassador Hans DUYNHOUWER,  
at the signing ceremony of the project  
"Support to the Lesotho Institute of Accountants (LIA)"**

**Maseru,**

**21 June 2013**

Greetings to you all - Lumelang bo'm'e le bontate -

Mr/Madam, MC, allow me to start by paying my respects to:

His Majesty King Letsie III;

the Right Honourable the Prime Minister;

Honourable President of the Senate;

Honourable Speaker of the National Assembly;

His Lordship the President of the Court of Appeal;

His Lordship the Chief Justice;

Honourable Deputy Prime Minister;

Honourable Ministers;

Their Lordships Judges of the High Court;

Your Excellencies Heads of Diplomatic Mission and International organisations;

Principal Secretaries here present;

The President of the LIA Board;

Chief Executive Officer of LIA;

All officials and dignitaries here present,

Distinguished Guests, Ladies and Gentlemen,

Today we launch an EU funded project to support the Lesotho Institute of Accountants and the Centre for Accounting Studies. I am delighted to attend this important event.

A reliable pool of well qualified accountants is an essential requirement for a modern, accountable democracy. A government with democratic credentials must be able to demonstrate that it spends the funds at its disposal in a transparent and accountable manner. Accountability to the parliament, the electorate who are also the country's tax payers is a must.

Also for the private sector, high level accountancy is of utmost importance. Qualified accounting professionals that respect the highest professional standards are essential for the reporting, the accountability and the reputation of private sector companies.

This grant that is signed today assists Lesotho in strengthening the accountancy profession. It will implement the qualification framework that has been developed with the support of the World Bank. This new national qualification framework will make the country autonomous and no longer dependent on overseas professional accountancy bodies and training institutions. Implementing this new framework will also go a long way in

ensuring a steady supply of professional accountants for both the public and the private sector in Lesotho.

The accounting profession plays today an increasingly important role and it is also at the centre of attention. A couple of days ago G8 leaders met under the chairmanship of UK Prime Minister David Cameron. They underlined the importance of fair tax systems. Leaders emphasised transparency and accountability, particularly in extractive and mining industries. For transparency and accountability to become a reality, we need high level accountancy services. That is what today's project is about.

In developing the framework for the accounting profession, we must nevertheless seek a balance. While high professional services are of utmost importance, we must, on the one hand strike a balance between comprehensiveness, accountability and transparency and on the other the need to keep the administrative burden in check. It is for this reason that, only recently, a new European Directive was approved by the European Parliament which simplifies the preparation of financial statements for small companies. Given the importance of the SME sector in Lesotho, the accountancy needs and practice of small and medium enterprises deserve such special attention.

For the European Union as a development partner good, reliable financial reporting, accountability is of utmost importance. The European Union is subject to many masters – the 27, soon 28, member states, the European Parliament, the Court of Auditors, EU citizens and lobby groups. The

institutions of the European Union are run according to strict financial regulations. Similarly the funds of our external relations programmes are subject to regular checks. The European Court of Auditors has the right to check any EU office or any beneficiary of EU funds at any time. It is essential for us to be able to demonstrate to the European tax payer that their funds are being well and honestly spent and that they yield results. Our investment in this grant goes therefore far beyond the borders of Lesotho. A high level accountancy profession in Lesotho will provide peace of mind in offices in Brussels, Washington and Geneva, to name but a few.

Functioning accountability systems support better service delivery for the citizens of Lesotho. Basotho must have access to information that shows that education and health funds in the budget reach the primary schools, the health clinics across the country and that they are actually spent on books, maintenance and medicines.

A good foundation exists for this project to be a success. It is reassuring to know that the Government is committed to creating the necessary legislative framework that underpins the work of the accounting and auditing professions across all sectors. In this context it is important that accountants and auditors are free to disclose the results of their work, especially if wrong doing is uncovered. It is critical that accountants and auditors can count on the full support of the judicial authorities, especially in cases of fraud and corruption. A well functioning judicial system is a necessary complement to a high level professional accounting service.

The European Union is committed to support the Government of Lesotho to establish an accountancy system in Lesotho that operates at the highest standards. Financial accountability is a priority and a legal requirement of the highest order for both the Government of Lesotho and the European Union.

Let's work together on this in a spirit of partnership.

I thank you for your kind attention.

KHOTSO, PULA, NALA