



History of KPMG in Ghana



March 2018

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COLONIAL ERA

The British declared Gold Coast as its colony after the Danes and Dutch sold their possessions to them and left the shores of Gold Coast in the late 1880's. During this period, commercial companies acquired land and settled in the Gold Coast.

By 1928 many European companies in the Gold Coast were engaged in business activities such as mining, shipping, manufacturing, insurance, accounting and even retail trading. This period that saw the rise of expatriate accounting firms to provide professional accounting and auditing services for parent companies in Britain and other European countries.

The first of these expatriate accounting firms was Casselton Elliot and Company (Casselton Elliot & Co.) from Britain. Before the establishment of the private expatriate accounting firm, Casselton Elliot & Co., European companies had to send bulky documents to their respective countries for audit because there were no professional accountants in the Gold Coast.

Edward Casselton Elliot, the founder and then senior partner of Casselton Elliot & Co., started the first expatriate accounting office in Accra, in 1928, then in Jos and Lagos in Nigeria, Freetown in Sierra Leone and Bathurst (Banjul) in Gambia. The Accra office was later moved to Tarkwa in the same year due to the concentration of gold mining companies in that part of the country.

In the first years of the establishment of Casselton Elliot & Co. (C.E. & Co.), none of the partners was based in West Africa; the company had expatriate accountants and office clerks running these branches. It was not until early 1930 that N. Keith Silver, a resident partner was stationed in Accra, who also oversaw the activities of the Sierra Leone and the Gambia practices. Some major clients of C.E. & Co included Barclays Bank Dominion, Standard Bank, CFAO, PZ, Shell, Mobil, Total, United Trading Company (UTC), Ashanti Goldfields and General Electric, among others.



Commercial Area Adabraka, Accra

An earlier law that gave the absolute right to government auditors to audit Town Councils was amended in 1937 and marked the beginning of a private accounting firm auditing government agencies and departments in the Gold Coast.

Casselton Elliot & Co took over auditing of government agencies and departments in the Gold Coast due to the loss of confidence in the audit department of the Auditor General's office. Two of the officers in the Accra Town

Council were interdicted and handed over to the police for prosecution because of certain discrepancies found in the books of the Council. Other town Councils decided to use C.E. & Co. because they had

noticed and reported irregularities that the Audit department had failed to detect. Casselton Elliot & Co. also audited government agencies department in the other three West African colonies.

POST COLONIAL ERA

The firm continued to dominate the private audit practice and accounting services through the colonial and post-colonial eras, serving companies that were mostly foreign owned. The early years of the 1960's saw Casselton Elliot & Co. open another office in Takoradi to service cocoa, timber, sawmills, manganese, bauxite, rubber and export firms in that part of the country. The Accra office was run by Bill Lobban, an expatriate manager of the Ghana firm.

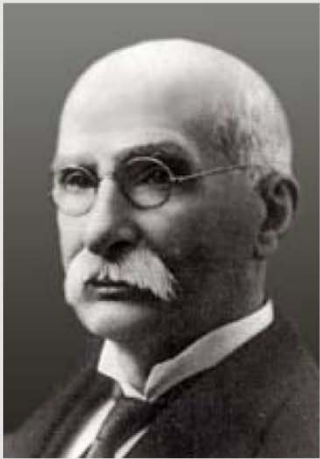
At the beginning of the twentieth century, mergers, acquisitions and partnerships saw a reduction of thirteen major accounting firms in the world to eight. Later mergers saw the big eight further reduced to the big five



1870
WILLIAM BARCLAY PEAT



1877
DR. REINHARD GOERDELER



1917
PIET KLYNFELD

1897
JAMES MARWICK



These were: KPMG Peat Marwick, Price WaterhouseCoopers, Deloitte & Touche, Ernst & Young and Arthur Anderson, which was indicted for accounting malpractices in the Eron scandal, reducing the numbers to four.

LaFentz and Deutsche Treuhandgesellschaft had formed KMG (Klynveld Main Goerdeler).

He qualified as an accountant in 1966 under articleship with Chas Taylor & Son, Chartered Accountants in England and Wales. He was employed by A.G. Leventis Group and later sent to the Lagos branch as the accountant in Nigeria and later on joined Peat, Marwick, Cassleton Elliot & Co. George Victor Okoh was promoted to Joint Senior Resident Partner in 1974 and subsequently Senior Partner in 1981. He was the first African to attain this feat.

THE GENESIS OF THE NAME KPMG

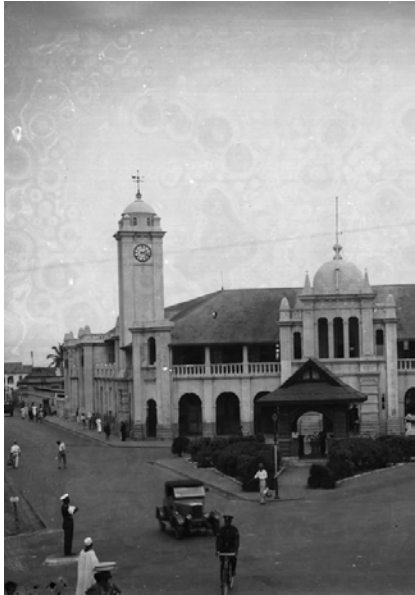
Sir William Barclay Peat renamed a London firm of which he was a senior partner in 1891 as William Barclay Peat & Co. In 1911, William Barclay Peat & Co. merged with Marwick Mitchell & Co. to form Peat, Marwick Mitchell & Co., later known as Peat Marwick.

In 1987, KMG and Peat Marwick joined forces to form the first mega-merger of large accounting firms in the world. This new firm was called KPMG in the United States and Peat Marwick McLintock in the United Kingdom. In 1990, the name KPMG Peat Marwick McLintock was settled on but in 1991 the firm was renamed KPMG Peat Marwick. It was in 1995, the name was further reduced to KPMG (Klynveld Peat Marwick Goerdeler).

THE EARLY GHANAIAN CASE

Meanwhile in Amsterdam, Piet Klynveld an accounting firm had merged with Kraayenhof to form Piet Klynveld & Kraayenhof. In 1968, Peat Marwick merged with Cassleton Elliot & Co. in London to become Peat Marwick, Cassleton Elliot & Co., consequently all foreign branches were changed accordingly including Ghana and the West African branches. The West African branches were declared partners subsequently. In 1979, Klynveld Kraayenhof & Co., McLintock Main

Peat Marwick, Cassleton Elliot & Co. continued to enjoy its dominance in the field of accounting in Ghana despite the presence of other big firms. During those times all partners of the company were Europeans, this was the case until a young qualified Ghanaian accountant George Okoh joined the firm in 1968 as Audit Senior.



In 1981, in the West African practices which were partnerships, senior partners could take decisions which they could not have done in the past. The senior partner, George Okoh, in consultation with the other partners renamed the firm Peat, Marwick, Okoh & Co. Ghana, to give it an African identity.

In the early 1970s, the Partners of Peat, Marwick, Cassleton Elliott & Co. in West Africa decided to hand over the management of the firms to Africans because of the political turmoil and military interventions during that period. Other expatriate companies also repatriated most of their profits and earnings to their parent country because of the bad economic and political climate between the periods 1972 to 1992. Though the partners handed over the management of the firms to their African partners, they still had shares in the firms in West Africa.

KPMG in GHANA

The firm continued its core business of rendering accounting services to its clients. Earlier, the firm Peat, Marwick, Cassleton Elliott & Co. had been renamed KPMG in 1995. So a decision was taken by the international council of KPMG to have all affiliate firms adopt the name "KPMG".. On 2 January 1996, Peat, Marwick, Okoh & Co. also assumed the name KPMG.

KPMG in Ghana continued to grow over the years because both partners and workers were committed to the accounting profession and the firm. The firm also had diversified professionals and experts among others that enabled them to perform efficiently. The firm had a meritorious structure such that any employee with

hard work and dedication could be made partner.

KPMG started training their own accountants since there were not enough qualified accountants to take care of the growing demand of accountants in the country. The firm had started an Articleship programme, thus giving students who had an interest in accounting, train with Cassleton Elliott and Co and learn in an institution at the same time. The firm took full responsibility to register these students who were bonded to work for KPMG for three years after which they were free to go anywhere they wanted. Before the establishment of ICAG, students were required to travel to U.K. for their ACCA or CIMA examinations.

Albert Neequaye Kotey was the second Ghanaian senior partner of the KPMG practice in Ghana. He joined the firm in 1960 and travelled the following year to the UK for his studies. He returned in 1971, made partner in 1977 then senior partner in 1997. He retired in 1999.

Joseph Winful, joined Peat, Marwick, Okoh & Co. in 1990 after having worked as Chief of Budget and Account for C.A.F.R.A.D. in Morocco and Canada Post Corporation as project manager. He qualified as Chartered Accountant in 1980 and he became a fellow of the Institute of International Accountants; member of Institute of Chartered Accountants Ghana. Joseph Winful became the third Ghanaian senior partner of the KPMG practice in Ghana in 2000.



Historical Timeline

