

THE INSTITUTE OF ACCOUNTING AND COMMERCE

**GENERAL BY-LAWS**

(2007 Amendments)

Being By-laws made by the Board of Directors in terms of Article 42 of the Articles of Association of the Institute.

**Interpretation**

1. Any word or expression used in the Articles of Association of the Institute shall bear the same meaning as such word or expression bears in these By-laws. Any reference in these By-laws to an Article or the Articles shall be deemed to be a reference to the Articles of Association of the Institute.

**Mission Statement: Goals and Objectives**

2. It is the aim of the Institute of Accounting and Commerce to promote actively their sectors utilization and development of qualified manpower through the achievements of the higher standards of professional competence and ethical conduct amongst its members.

**MEMBERSHIP MATTERS**

**Grades of Membership**

3. There shall be the following grades of membership:

**(a) Accounting Officers**

With all the powers and privileges of a full member as provided for in the Articles and these By-Laws and the right to vote at general meetings;

**(b) Fellow Members**

With all the powers and privileges of a Full Member, including the right to vote at general meetings;

**(c) Full Members**

With all the powers and privileges of a member as provided for in the Articles and these By-laws and the right to vote at general meetings;

**(d) Honorary Life Fellows**

As contemplated in Article 9 and clause 7 of the By-Laws;

**(e) Accounting Technicians**

As contemplated in clause 8;

**(f) Corporate Members;**

**(g) Associate Members.**

**Qualifications of Members**

**4. Accounting Officer** shall be any member who has achieved the following: - A person who has completed an IAC diploma in Accounting, Cost and Management Accounting and IAC Diploma in Company Secretaries.

A person who has completed a recognized post-matric qualification with the same evaluation as an IAC diploma, namely Senior Certificate plus three years (NQF level 6) and provided that the subjects passed are relevant to the IAC subjects, and that the qualification is recognized by the IAC. For example, the following qualifications are acceptable:

Degree B. Com / B. Accounting. Science etc

Diploma-Institute of Chartered Secretaries & Administrators (ICSA)

B.Tech and National Diplomas, obtained from South African Universities of Technology (where the curricula are relevant to the IAC curricula).

To be registered as an accounting officer for close corporations, an applicant must, in addition to his/her academic qualification(s), also meet the following criteria:

**Core Subjects**

4.1 To have majored in Financial Accounting (iii)

4.2 To have passed Income Tax

4.3 To have passed Company Law in terms of South African Legislation.

4.4 To have passed auditing (i) or internal auditing (ii)

4.5 To have gained a **MINIMUM** of three years supervised (monitored & learnership) under the guidance of an IAC, CA, SAIPA, CIS or CIMA practitioner. OR

To have gained a **MINIMUM** of six years relevant, practical accounting experience at Management or a supervisory level.

5. **A Fellow Member** shall be any fit and proper person, whether a Full Member or otherwise who has:

- (a) Achieved in his or her chosen profession or occupation; or
- (b) Made a contribution to the advancement, improvement or promotion of the interests of the Institute; or
- (c) Made a significant contribution to the life of his or her profession, occupation, community, region or country,
- (d) Who has not been convicted for an offence related to dishonesty or violence or been found guilty of professional misconduct.

And who has been a full member of the Institute for no less than 5 years.

6. **A Full Member** shall be any person, whether a citizen of South Africa or otherwise, who has achieved a post-school tertiary qualification in:

- (a) Accounting
- (b) Management
- (c) Administration in the public or private sector;
- (d) Law
- (e) Any of the health professions including nursing, paramedic services and the like, as the Board may from time to time agree;
- (f) Commerce;
- (g) Industry; or
- (h) Public affairs,

And who is a fit and proper person to be a Full Member, and who has not been convicted for an offence related to dishonesty or violence or been found guilty of professional misconduct.

7. **An Honorary Life Member** of the Institute shall be any Fellow Member, Full Member or Corporate Member who for devoted service to the Institute or service of a

high order to the Institute over a period of years, merits the honour of being made an Honorary Life Member. An Honorary Life Member shall not be eligible to serve as a director or to vote at general meetings.

8. **An Accounting Technician** shall be any person who has completed a two-year learnership registered with the (Institute, ICB and FASSET) and has successfully completed 10 of the 14 IAC accredited subjects or the equivalent as determined in clause 4.
9. **A Corporate Member** shall be any corporate entity, which chooses to fulfill the role of a Corporate Member and as such to serve and promote the interests of the Institute.
10. **An Associate Member** shall be any person who does not qualify for any other grade of membership of the Institute and includes any student undertaking post-school studies at any public or private institution of learning.

#### **Sub-Categories of Members**

11. The Board may from time to time if it considers it expedient to do so, organize the body of Fellow, Full and Associate Members into the following Sub-categories:
  - (a) Accounting and finance
  - (b) Management;
  - (c) Administration, with if necessary a distinction being made between public and private administration;
  - (d) Law;
  - (e) Any of the health professions including nursing, paramedic service and the like;
  - (f) Commerce;
  - (g) Industry;
  - (h) Public affairs, and the pace of the establishment of sub-categories shall be dependent on there being a viable number of members in each sub-category.
12. Where sub-categories are established, the Board, a regional committee, a center committee or a foreign committee shall from time to time strive to arrange professional discussion groups, seminars, conferences and newsletters for the purpose of promoting continued professional development.

#### **Membership Certificates**

13. Each person who becomes a member of the Institute shall be provided with a certificate on an annual basis upon payment of annual membership fees, setting out the grade of membership and the sub-category in which that member has been placed. A Certificate, which has expired, is deemed to be invalid.
14. All membership certificates are and remain the property of the Institute and shall, upon written demand being made, be surrendered to the Institute.

### **Renewal of Membership**

15. Admission as a member shall be at the sole discretion of the Institute and the Institute shall be under no obligation to except or renew the membership of any person.

## **GENERAL ADMINISTRATIVE MATTERS**

### **Procedure at Meetings**

16. The following procedures shall apply at all general meetings and Plenary meetings:
- (a) Members desiring to speak shall do so in the order recognised by the Chair.
  - (b) No member may address a meeting for longer than five (5) minutes but may be permitted to continue to do so if the Chair so agrees.
  - (c) A member may rise on a point of order while another member is speaking, in which event the member speaking shall resume his or her seat until the point of order has been dealt with by the Chair whereafter the speaker may resume his or her speech. Time used in dealing with a point of order shall not be counted in the time allowed to a speaker.
  - (d) A point of order shall be confined to a matter of relevance relating to the matter under discussion and nothing else.
  - (e) Any member present may move a motion relating to a matter on the agenda or with the permission of the Chair, any other matter that is under discussion. Motions shall not be moved by proxy.
  - (f) Any other member present may move an amendment to the motion referred to in paragraph (e): Provided that no amendment shall constitute a negative to the motion.
  - (g) The mover of a motion or of an amendment, irrespective of whether they have spoken for the permitted length of time may address the meeting for a period of five (5) minutes in support of the motion or amendment as the case may be.
  - (h) Members present at a meeting shall conduct themselves with decorum and shall respect the Chair.
  - (i) Any member or other person present at a meeting who shows disrespect for the Chair or who uses foul or abusive language or who threatens or physically attacks any person present shall be required forthwith to leave the venue and if that person fails or refuses to leave such venue, he or she may forcibly be ejected.

- (j) Any member who contravenes the provisions of paragraph (i) shall be deemed to have committed misconduct and be subject to the provisions of these By-laws relating to misconduct.

### **Proxies**

17. (1) The format of a proxy form shall be as prescribed by the Board.
- (2) When at general meetings a vote is to be taken on any matter, the person in the Chair shall enquire whether any proxies had been given on that matter.
- (3) Any member present holding a proxy on that matter shall forthwith in terms of Article 26 declare and vote his or her proxies subject to Article 27.
- (4) The proxies referred to in (3) above shall form part of the records of the meeting concerned.

### **Polls**

18. (1) In the event of a poll being demanded in terms of Article 20, the Chief Executive Officer shall frame a ballot paper for the purpose in such a manner that any member voting in a poll will simply be required to place a cross either for or against a proposition briefly stated on the ballot paper and return the paper in a sealed envelope to the Office.
- (2) All ballot papers returned in accordance with (1) above shall be opened and counted under the supervision of an independent scrutinizer.

## **ETHICS**

### **The IAC as an Ethical Body**

19. The directors, members and employees of the Institute commit themselves to conduct their affairs and business according to a high ethical standard.

### **Ethical Codes**

20. (1) The Board may from time to time frame, adopt and amend codes of conduct for members and in doing so may frame, adopt and amend such codes for the sub-grades of members provided for in By-law 9.

- (2) There shall be a Code of Conduct for Directors, which shall commit all directors to good and honest corporate governance.
- (3) Every member and director shall be given a copy of the code applicable to him or her and shall sign for the receipt thereof, which signed receipt shall be prima facie proof that the person concerned has read and understood the code in question.
- (4) Any breach of any code provided for in this By-law, shall be deemed to be misconduct.

## **MISCONDUCT**

By-laws made in accordance with paragraph 6(c) of the Memorandum of Association and Article 36(k) of the Articles.

### **Misconduct: What is**

21. Without in any way limiting the meaning of the term misconduct, such term includes any director or member who:
  - (a) breaches any code of conduct referred to in By-law 18(1) or (2); or
  - (b) brings the good name of the Institute into disrepute or public contempt or ridicule ;or
  - (c) is found guilty by a court of law of an offence relating to dishonestly, corruption or violence; or
  - (d) takes or uses assets or property of the Institute for his or her use or for the use of his or her spouse, partner or a family member; or
  - (e) wastes the resources of the Institute in fruitless expenditure or who without the prior authority of the Board, incurs expenditure which is not provided for in the budget of the Institute; or
  - (f) falsifies any document including a document relating to an educational qualification, for the purpose of his or her or another becoming a member of the Institute or in a particular grade of membership of

### **Procedure for dealing with Misconduct**

22. (1) Any member or director of the Institute who has good reason to believe that another member or director of the Institute has committed misconduct shall notify the Chief Executive Officer who shall forthwith notify the President.

The President and the Chief Executive Officer shall examine the case put before them and if of the opinion that it is a prima facie case of misconduct, the President shall take the following steps:

From among the number of directors establish a panel consisting of two directors and an independent person who must be a person with knowledge of law who shall be

- (a) The chairman of the panel;
- (b) in consultation with the chairman of the panel select a venue for a hearing and a date or dates when the hearing will take place;
- (c) in writing notify the member or director concerned of: the nature of the charge against him or her together with any documentary evidence on the matter; the date, time and place where the hearing is to be held; and inform the member or director concerned that he or she may be accompanied by and be represented by another person who may be a legal practitioner;
- (d) appoint an employee, director or member to lead the evidence against the member or director concerned.

### **Powers and Duties of the Panel**

23. The panel shall convene on the date and at the time and place designated for the hearing and so given to the member in the notice referred to in By-Law 20 (2) (c).
24. Should the member or director concerned fail to appear at the hearing or should such person, verbally or in writing state that he or she will not attend the hearing, the panel shall on the evidence before it attempt to determine the matter and report thereon to the President.
25. Should the member or director concerned appear at the hearing, the following procedure shall be followed:

- (a) the person appointed in terms of By-law 20(2)(d) shall place before the panel all documentary evidence relating to the charge of misconduct and call and examine any witness to give evidence thereon;
  - (b) thereafter the person charged with misconduct may personally or through his or her representative adduce documentary evidence and call and examine witnesses, including himself or herself, in rebuttal of the charge against him or her;
  - (c) either party may cross-examine a witness called by the other party.
26. (1) The chairman of the panel shall enquire from any person giving evidence whether he or she wishes to do so under oath or affirmation but is not obliged to do so.
- (2) Should a person referred to in (1) above agree to give evidence under oath, such oath shall be administered by the chairman of the panel in the following form.
- “I (name) do swear that the evidence I give will be the truth to the best of my knowledge”.
- (3) Should a person referred to in (1) above agree to give evidence under affirmation, such affirmation shall be administered by the chairman of the panel in the following form:
- “I (name) affirm that the evidence I give will be the truth to the best of my knowledge”.
- (5) In weighting the evidence of a witness the panel shall be entitled to take into account whether it was given on oath or affirmation or otherwise.

27. The chairman of the panel shall regulate its proceedings and shall be responsible for the keeping of good order during such proceedings and may require that any person from the venue who is disruptive or unruly be ejected therefrom. The said chairman may from time to time adjourn the proceedings of the panel.

28. The Chief Executive Officer shall ensure that a proper record is kept of the proceedings of the panel.

**At the Conclusion of a Hearing**

29. (1) After all evidence has been heard and the parties concerned have addressed the panel on the charge(s) before it, the panel shall consider and evaluate all the evidence and reach a finding on the matter.

- (2) The panel may find that the member or director concerned is guilty as charged or not guilty or that insufficient evidence has been adduced on which to base a finding of guilty or not guilty.
- (3) Where the panel finds the member or director concerned guilty as charged, it shall also determine an appropriate penalty as provided for in By-law 28 and report accordingly to the President, with a copy to the member or director concerned.
- (4) Where the panel is unable to reach a finding of either guilty or not guilty, it shall so report to the President.

### **Penalties**

30.
  - (1) The penalty for misconduct, depending on the seriousness of the misconduct and its effect on the integrity or viability of the Institute may be:
    - (a) loss of membership; or
    - (b) suspension of membership; or
    - (c) a reprimand; or
    - (d) a written warning.
  - (2) Where the penalty is loss of membership, the membership of a member shall cease on the day that the President in terms of By-law 29 in writing confirms the penalty by the panel to that effect and the member concerned shall forthwith surrender his or her membership certificate to the Chief Executive Officer who shall make a note to that effect in the Member's Register. Where the member found guilty of misconduct is also a director, such person shall with immediate effect also cease to be a director and the company secretary shall make an appropriate entry to that effect in the records of the Institute.
  - (3) A penalty in the form of a reprimand or written warning shall be conveyed to the person concerned under the hand of the President.

### **Duties of the President**

31. Upon receipt of the findings of the panel in terms of By-law 22 or By-law 27(3) or

the findings of the Board in respect of an appeal, the President may after a period of ten (10) days confirm the finding and penalty or refer the matter back to the panel for reconsideration, in which event the panel shall reconvene and after further considering the matter report again to the President who must either confirm the finding and penalty or, in writing to the Board give reasons why he or she does not accept such finding and penalty, with recommendations as to what the finding and penalty should be. In the event of the President reporting to the Board as aforesaid, the matter shall be treated as an appeal in terms of By-law 30.

### **Appeal**

32. (1) any member or director charged with misconduct who is aggrieved at the finding and penalty determined by the panel may, within ten (10) days of being informed thereof, appeal to the Board.
- (2) Any appeal to the Board in terms of (1) above shall be in writing and shall set out the basis of the appeal, whether it is against the finding or the penalty or both and state the relief sought by the appellate.
- (3) The Board shall consider any appeal referred to it including the reference of a matter to it by the President in terms of By-law 29 and in connection therewith may call and examine any witness or call for and examine any document which it may consider relevant to the matter under consideration, after which it may:
- (a) confirm the finding and penalty determination of the panel; or
  - (b) vary the finding and penalty determination of the panel; or
  - (c) set aside the finding and penalty determination of the panel,
- and refer the mater to the President for consideration in terms of By-law 29.
- (4) The effect of any finding by the Board in terms of By-law 22 or By-law 27(3) shall be suspended if an appeal is made until the appeal has been determined and the penalty confirmed or otherwise.

### **Discharge of Panel**

33. Once a charge of misconduct has finally been dealt with, the panel shall be discharged from office on the date that the President takes a final decision.

**Repeal and commencement**

34. (1) All prior By-laws of the Institute are hereby repealed.
- (2) The provisions of these By-laws commence in operation on the date of their adoption by the Board.

**Citation**

35. These By-laws shall be called the IAC By-laws, 2007.