

# Chartered Secretaries – Southern Africa

## Summary of the Code of Ethics

(This Code MUST be read together with the detailed version before signing off on it)

Refer to the detailed code for definitions of the following terms

Council , Board, Firm , ICSA Member , Member in professional practice, Graduate Member of ICSA (GradICSA), Practitioner, Professional practice

**NOTE :** All Members are required to sign off and submit the acknowledgement form at the end of this code, together with their CPD programme.

### PART A - APPLICABLE TO ALL ICSA MEMBERS

#### 1. GENERAL FUNDAMENTAL PRINCIPLES

- 1.1 Issued by the Board to guide Members – does not specify each possible act of misconduct. Action and consequences will depend on circumstances in each case.
- 1.2 Aim: to facilitate the enforcement of ethical standards through disciplinary procedures.
- 1.3 Adherence to Code is a condition of membership – members liable to disciplinary action if found guilty of misconduct - including any act likely to bring discredit to the member, the Institute, or the profession.
- 1.4 Members are required to uphold the Institute's Charter and comply with its Byelaws.
- 1.5 Members are required to exercise integrity, honesty, diligence and due care in carrying out their duties and responsibilities, with courtesy and consideration towards others.
- 1.6 Members shall at all times be cognisant of their responsibilities as professional persons towards the wider community.
- 1.7 Members shall at all times safeguard the interests of their employers, colleagues and clients provided that they shall not knowingly be a party to any illegal or unethical activity.
- 1.8 Members shall not act in any way which may be in conflict with the legitimate interests of their employer or client or which would prejudice the performance of their professional duties.
- 1.9 CPD is compulsory. Failure to maintain currency of knowledge is regarded as professional misconduct and members could face disciplinary action (see CPD policy).
- 1.10 Members shall refrain from conduct or action, whether in their personal or professional capacity, which detracts from the reputation of the Institute.
- 1.11 In accepting or continuing a professional assignment, a member should always have regard to any factors which might reflect adversely upon his or her integrity and objectivity in relation to that assignment.

### PART B - FOR PRACTITIONERS

Note: See detail on requirements for Accounting Officers, Governance Professionals and regulations regarding practising certificates.

#### 1. PROFESSIONAL INDEPENDENCE

- 1.1 Professional independence is fundamental to a Chartered Secretary in professional practice. It is an attitude of mind characterised by integrity and an objective approach to professional work.
- 1.2 Members in professional practice shall be, and be seen to be, free of any interest which might detract from objectivity.
- 1.3 It is the duty of a practitioner to present or report on information objectively.

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- 1.4 It is the responsibility of practising members to use their best endeavours to ensure that the guidance given herein is followed in their practices.
  - 1.5 Personal relationships can affect objectivity and need to be taken into account for all assignments.
  - 1.6 Financial involvement with a client – as for 1.5 above.
  - 1.7 Acceptance of goods or services from a client may be a threat to independence.
  - 1.8 Where advice given to a client is such that, if acted upon, it will result in commission being earned, special care shall be taken that the advice is in fact in the best interests of the client.
  - 1.9 All assignments need to be evaluated in terms of possible impacts on professional independence.
2. CONFIDENTIALITY
- 2.1 Information acquired in the course of professional work shall not be disclosed except where consent has been obtained from the client.
  - 2.2 Information acquired as in 2.1 shall not be used for personal advantage.
3. OBTAINING PROFESSIONAL WORK
- 3.1 All work or assignments shall be obtained in a professional manner.
  - 3.2 Members may seek publicity for their services and achievements and may advertise their services, as per the regulations in Part C.
  - 3.3 A member shall ensure that promotional material is in good taste both as to content and presentation, and that it does not belittle the services offered by others.
  - 3.4 Note the requirements of clause 4 of this Part (words of description).
  - 3.5 Practitioners shall avoid making fee comparisons or quoting fees in their advertisements (contained in sub-clause 6.2 of this Code).
  - 3.6 A practitioner may not make an unsolicited approach to a non-client for the purpose of obtaining professional work.
  - 3.7 Direct mailing methods may be used by practitioners to promote their practices among non-clients.
  - 3.8 Material distributed as provided for in 3.7 above is subject to the same constraints as are laid down in respect of publicity and advertising provided in 3.2 above.
  - 3.9 A practising member shall not give or offer any commission, fee or reward to a third party in return for the introduction of a client, but may pay for normal marketing services.
  - 3.10 A practitioner whose promotional activities are found not to conform to the guidelines set out in the above paragraphs will be subject to disciplinary enquiry.
  - 3.11 Promotional activities carried out in the name of a firm shall be construed as promotional activities carried out by the individual members of that firm, whether carried out personally or through agents.
  - 3.12 Practitioners shall not present themselves as carrying on business of a kind normally carried on by a practitioner, for and on behalf of their employer unless their employer is permitted to describe the organisation as "Chartered Secretaries" under the byelaws.
  - 3.13 Members may not accept assignments for work if they do not have the resources and capacity to complete the work assignment.
  - 3.14 A member may not invoice a client for work not yet performed.
4. PRACTICE NAMES AND DESCRIPTIONS
- 4.1 It is recommended that practitioners use their designatory letters at all times and may describe themselves personally as **Chartered Secretaries**.
  - 4.2 A practising firm's name should be consistent with the dignity of the profession.
  - 4.3 A practising firm's name should not be misleading.
  - 4.4 Note the guidelines and prescriptions on using "Chartered Secretaries" in the title and stationery of firms.

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- 4.5 Where a firm does not use the description "Chartered Secretaries", it is entitled to adopt a description indicating a specialisation in any area or areas of work.
- 4.6 If any person named on the letterhead as a member of a firm is not a member of the Institute, the firm may not describe itself on its letterhead or elsewhere as "Chartered Secretaries".

### 5. PROFESSIONAL APPOINTMENTS

- 5.1 The expansion of a professional practice should not result in the displacement of an incumbent in a manner that would reflect negatively on the profession or the Institute.
- 5.2 Members invited to undertake professional work additional to that already being carried out by another practitioner, should notify the other practitioner of the work they propose to undertake. Members have the right to expect the continuing practitioner's full co-operation in carrying out the assignment, and vice versa.
- 5.3 If practitioners lack the expertise necessary to render requested services, they should call upon a fellow practitioner for assistance or refer the entire engagement to an appropriately qualified person.
- 5.4 The wishes of the client must be paramount in the choice of professional advisers, whether or not special skills are involved.
- 5.5 Clients have an indisputable right to choose their professional advisers and to change to others should they so desire.
- 5.6 Practitioners should not accept an appointment without first communicating, if possible in writing, with the incumbent (whether a member or not) to enquire whether there are any reasons, professional or otherwise, why the practitioner should not accept the appointment.
- 5.7 Appropriate communication is imperative for maintaining professional and harmonious relations among practitioners.
- 5.8 This point elaborates on the results of good communication.
- 5.9 Before accepting an appointment involving recurring professional work hitherto carried out by an incumbent, members should:
- ascertain if the prospective client has advised the incumbent of the proposed change and has given written permission to discuss the client's affairs
  - request permission to communicate with the incumbent (if such permission is refused they should decline the appointment)
  - on receipt of permission, ask the incumbent to inform them of any matters of which they should be aware before deciding whether or not to accept the appointment
  - obtain evidence of the written resignation of the incumbent.
- 5.10 The incumbent on receipt of the communication referred to above, shall forthwith:
- advise whether there are any reasons why the practitioner should not accept the appointment;
  - if there are any such reasons or other matter which should be disclosed, ensure that they have the client's permission to give details of this information to the member (if permission is not granted the incumbent should report that fact to the practitioner);
  - on receipt of permission from the client, disclose all information needed by the practitioner to make a decision on whether or not to accept the appointment, and discuss freely with the practitioner all matters relevant to the appointment of which the latter should be aware.
- 5.11 If the practitioner does not receive, within a reasonable time, a reply to the communication to the incumbent, the practitioner should endeavour to communicate with the incumbent by some other means. If a satisfactory outcome cannot be obtained in this way, a further registered letter should be sent, stating the assumption that there

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are no professional or other reasons why the appointment should not be accepted - and that he intends to do so.

- 5.12 The fact that there may be fees owing to the incumbent is not a reason why the practitioner should not accept the appointment.
- 5.13 The incumbent should promptly transfer all books and papers which are the property of the client, to the newly appointed practitioner.
- 5.14 A practitioner may act alone or in association with members of other professional bodies to provide professional services (but in accordance with this Code).

### 6. FEES

- 6.1 Practitioners are entitled to charge appropriate fees.
- 6.2 Different fees charged for similar work is not improper, provided care is taken to ensure that the client is not misled.
- 6.3 If there is evidence of the work having been obtained or retained through quoting a fee that is not economic to perform that work to a satisfactory professional standard, that factor will be taken into account in the event of disciplinary action.
- 6.4 Fees should not be charged on a percentage or contingency fee basis (see exceptions in detailed code).
- 6.5 Where any work is subject to a contingency fee, the capacity in which practitioners have worked and the basis of their remuneration shall be made clear in any document on which a third party may rely.
- 6.6 See Part C of this Code - details of guidelines relating to members advertising their services.

### 7. MIXED AND MULTI-DISCIPLINE PRACTICES

- 7.1 If practitioners act in association with non-members in the provision of professional services, they accept responsibility to the Institute for ensuring that the association is conducted in accordance with the ethical and other requirements of the Institute.
- 7.2 Practitioners may act in association with members of other professional bodies to provide professional services, so long as the practitioner and their associations do nothing which is in breach of any legal, ethical or other requirements governing members of any of the relevant professional bodies.
- 7.3 A practitioner who is also a member of another professional body shall not do anything in breach of any legal, ethical, or other requirement governing the members of that other professional body.

### 8. CLIENTS' MONEYS

A practitioner is strictly accountable for all clients' moneys received and these shall be deposited without delay into a separate bank account (see detailed Code).

### 9. AGENCIES

- 9.1 Practitioners who accept appointments as agents of a financial services industry, insurance company or other organisation which invites the public to place funds in its hands by way of deposit, investment or otherwise shall:
  - 9.1.1 satisfy themselves that such acceptance is not made inappropriate by reason of:
    - 9.1.1.1 the nature of the services they are to provide as agent;
    - 9.1.1.2 the manner in which those services may be brought to the attention of the public;
    - 9.1.1.3 the manner in which the services may be publicised; and
  - 9.1.2 take all reasonable steps to assure themselves that the undertaking they may represent is properly conducted and financially sound.
- 9.2 Practitioners acting as agents shall have in mind the principles set out in sub-clause 3.1
- 9.3 Practitioners appointed as agent may permit the name, address and description of their firm to appear in any literature or advertisement published by the undertaking.

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- 9.4 Refer to sub-clause 1.8 regarding the disclosure to clients of commissions.
- 9.5 Members shall ensure that they are registered in accordance with all legislation governing their professional activities.

### **PART C - CODE OF PRACTICE ON ADVERTISING**

- 1.1 No advertisement or any form of publicity used may claim superiority. Advertisements must be factual and should not bring the profession or the Institute into disrepute.
- 1.2 Advertisements may draw attention to the existence of the practice and may describe the nature of the practice. Specific professional services may only be advertised after a member has had five years relevant experience.
- 2. Articles, letters or other contributions to journals or newspapers should contain the writer's name, and designatory letters.
- 3. Members appearing on a radio or television programme or speaking at a course or conference – see point 2 above.
- 4. It is expected that members will exercise discretion and good taste in the preparation and use of all publicity material.
- 5. No member may claim to speak on behalf of the Institute unless prior and specific authority has been given on each occasion, by either the President or Chief Executive of the Institute.
- 6. The Board reserves the right at its discretion to take appropriate steps, including the termination of membership, against any member contravening the code of practice.

Summary version – March 2006

## Chartered Secretaries – Southern Africa

I, (full name).....

Membership designation (GradICSA, ACIS, FCIS).....

Membership number .....

do hereby declare that I have read and understood the applicable codes of ethics and codes of conduct of Chartered Secretaries Southern Africa.

I undertake to uphold these codes at all times, and will submit myself to disciplinary action should I be found to be in breach of the codes.

I also undertake to abide by the requirements of the continuing professional development programme (CPD) as published and revised from time to time.

Signed:.....

Date .....

Witness (FCIS Member or similar signatory as required for upgrade to ACIS or FCIS membership – or Member of any other approved professional body).

Full name .....

Membership designation .....

Professional Body.....

Contact address and telephone numbers:

Signed..... Date.....