

1973 Bill Pr. 1

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Second Session, 17th Legislature, 21 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

**BILL Pr. 1**

**The Society of Industrial Accountants of Alberta Act, 1973**

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MR. JAMISON

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First Reading .....

Second Reading .....

Third Reading .....

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*Bill Pr. 1*  
*Mr. Jamison*

## **BILL Pr. 1**

1973

### **THE SOCIETY OF INDUSTRIAL ACCOUNTANTS OF ALBERTA ACT, 1973**

(Assented to \_\_\_\_\_, 1973)

**H**ER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

- |                             |  |
|-----------------------------|--|
| Short title                 | <b>1.</b> This Act may be cited as <i>The Society of Industrial Accountants of Alberta Act, 1973</i> .   |
| Definitions                 | <b>2.</b> In this Act,<br>(a) "Council" means the Council of the Society;<br>(b) "member" means a person who is registered in a class of membership of the Society;<br>(c) "Society" means The Society of Industrial Accountants of Alberta.   |
| Continuation of the Society | <b>3.</b> The Society of Industrial Accountants of Alberta as heretofore constituted is continued as a body corporate under the same name.   |
| Objects                     | <b>4.</b> The objects of the Society shall be to promote and increase the knowledge, skill and proficiency of its members in all things relating to the professions or callings of accounting and business and financial organization and administration by developing such educational and professional training programs, and prescribing such tests of competency, fitness and standards of moral character as may be deemed necessary or appropriate to qualify for membership in the Society. |
| Head office                 | <b>5.</b> The head office of the Society shall be located in the Province of Alberta at such place therein as may be determined by the Council.  |
| Council of the Society      | <b>6.</b> (1) There shall be a governing body of the Society called the Council which shall manage and conduct the business and affairs of the Society and exercise in the name of and on behalf of the Society the objects, powers and duties of the Society.   |

## Explanatory Notes

This proposed Private Act is not strictly speaking a request for a new Act, but is rather a request for a more meaningful replacement of existing legislation, namely, the 1944 Private Act known as "An Act to incorporate The Society of Industrial Accountants of Alberta", with an Act which accurately reflects the functions and duties of The Society of Industrial Accountants of Alberta in 1973.

Due to severe changes in both the functions and competency expected by the public of Registered Members of The Society of Industrial Accountants of Alberta, as well as the functions and duties which the said Society itself presently performs, a very real need exists for legislation which accurately reflects the circumstances existing in 1973, as opposed to those which existed in 1944.

In particular, major attention must, in 1973 be directed by The Society of Industrial Accountants of Alberta to:

- (a) development of educational and professional training programs and tests of competency for applicants for membership in the said Society. The Society of Industrial Accountants of Alberta has in fact developed extensive training programs and has collaborated with various accredited educational institutions for presentation of such programs. This is not an object of the Society as stated in the existing 1944 legislation, and therefore the possibility exists that the Society cannot legally insist upon the completion by applicants for membership in the Society of the specified courses and programs which the Society has developed since 1944;
- (b) provision for the discipline of Members of the Society. The number of Members of the Society has vastly increased since 1944 and therefore, in the interests of the public, provisions for disciplining by the Society of its Members is essential.

It should be noted that the proposed Private Act governs only those persons who choose to become Members of the Society and does not attempt to reserve to its Members the exclusive right to practice accounting in the Province of Alberta.

(2) The Council shall consist of not less than seven nor more than 15 members of the Society, five of whom shall constitute a quorum.

(3) Unless otherwise provided by the by-laws of the Society, only registered members of the Society in good standing shall be eligible for nomination and election to the Council.

(4) Retiring Council members shall be eligible for nomination and re-election to the Council.

(5) Council members shall be elected annually at the annual general meeting of the Society and shall hold office until their successors are elected.

(6) When a vacancy occurs in the Council for any reason, the remaining or continuing Council members may appoint a registered member of the Society, or a member in such other class of membership of the Society as may be designated by the by-laws of the Society, to fill the vacancy until the next annual general meeting of the Society, and for this purpose a majority of the remaining or continuing Council members shall constitute a quorum.

(7) Council meetings shall be held at such time and place as may be provided by the by-laws of the Society.

**Officers**

7. (1) The officers of the Society shall be, in addition to such other officers as may be required by the by-laws of the Society, the President, Vice-President, Secretary and Treasurer, but the offices of Secretary and Treasurer may be held by the same person.

(2) The officers of the Society shall be elected by the Council from among its members.

(3) The duties of the officers of the Society and the performance of those duties shall be subject to and in accordance with the provisions of the by-laws of the Society.

**By-laws  
of the  
Society**

8. (1) Subject to subsection (3), the Council may, by resolution, or the Society may, at an annual or special general meeting of the Society, pass, re-enact, or amend by-laws for the government of the Society, the management and conduct of the business and affairs of the Society, and for the exercise or carrying out of the objects, powers, and duties of the Society.

(2) Without restricting the generality of subsection (1), the Council or the Society, as the case may be, may pass by-laws for the following purposes:

- (a) to prescribe, with respect to each class of membership in the Society, the courses of study and examinations required for admission thereto and to establish or collaborate with educational institutions for the presentation and recognition of such courses of study and examinations;
- (b) to authorize any agreements by way of contract or otherwise between the Society and any educational institution for the purpose of carrying out any objects of the Society;
- (c) to prescribe classes of membership in the Society, the rights and obligations of each such class, and the qualifications required for membership in each such class;
- (d) to regulate the admission, enrolment and registration of members of the Society;
- (e) subject to the provisions of this Act, to govern the conduct and discipline, including suspension, expulsion, and reinstatement of members of the Society and to prescribe such sanctions as may be considered necessary for professional misconduct, including the payment of fines to the Society;
- (f) to prescribe the admission fees, annual fees, examination fees, and any other moneys payable to the Society;
- (g) to provide for the appointment, remuneration and removal of officers and employees of the Society and to prescribe the functions and duties of such officers and employees;
- (h) to establish chapters of the Society within Alberta;
- (i) to authorize the Society to affiliate with any other body, corporate or otherwise, having objects similar to those of the Society;
- (j) to govern the election of Council members;
- (k) to regulate the calling and conducting of all meetings of the Society and of the Council, and to prescribe the procedures to be followed at and in respect of such meetings;
- (l) to appoint such committees as may be deemed useful for the purpose of facilitating the business, management and objects of the Society and to delegate such duties, functions and powers to committees so appointed as may be deemed necessary or proper.

(3) By-laws, amendments thereto, or re-enactments thereof passed by resolution of Council shall be of no force or effect until approved by a majority of the members of the Society present at either an annual or special general meeting of the Society duly constituted in accordance with the provisions of this Act and the by-laws of the Society.

Rules of  
Council

9. Without restricting the generality of section 6, subsection (1), and in addition to the powers granted to the Council by section 8, the Council may, by resolution, make and amend such rules as it considers necessary from time to time governing:

- (a) admission fees, annual fees, examination fees, and other moneys payable to the Society;
- (b) professional conduct and ethics of members of the Society;
- (c) entrance requirements of applicants for membership in the Society;

and the resolutions respecting such rules or amendments thereof shall be effective and binding on all members of the Society and all applicants for membership in the Society immediately upon being passed by a majority of the Council members present at a duly constituted Council meeting.

Powers  
of the  
Society

10. (1) The Society may acquire by gift, purchase or otherwise, and may alienate, sell, mortgage, lease or otherwise dispose of real or personal property for the purposes of carrying out and promoting the objects of the Society.

(2) The Society shall use all its income and profits, if any, for the purposes of carrying out and promoting the objects of the Society but the Society is prohibited from distributing or paying as dividends such income or profits to its members.

(3) The Society may borrow money upon the credit of the Society and may hypothecate, mortgage or pledge both its real and personal property or any part thereof, including its sources of funds, to secure money for the purposes of carrying out and promoting the objects of the Society.

Membership  
in the  
Society

11. (1) The Society's membership for the time being shall be divided into three classes, namely, registered members, general members and student members, provided that further classes of membership may be authorized by the by-laws of the Society in accordance with section 8, subsection (2), clause (c).

(2) Membership in the Society shall be open to all persons who are interested in the objects of the Society, and who are qualified for membership under the provisions of this Act, the by-laws of the Society, and any applicable rules of the Council made pursuant to section 9 herein.

(3) All essential matters not provided for by this Act relating to the qualifications required for each class of member of the Society, the rights and obligations of each such class, and the procedure to be followed and require-

ments to be met by applicants for admission to the Society shall be provided for by the by-laws of the Society, or the rules made by the Council pursuant to section 9.

(4) The persons who are members of the Society in good standing immediately before this Act comes into force shall continue as members thereof subject to the provisions of this Act and the by-laws of the Society.

Register

**12.** (1) A register shall be kept by the Secretary of the Society or such other officer as may be designated by the Council.

(2) The register shall contain the names and addresses of all members of the Society in good standing and shall specify the class of membership held by each such member.

(3) The Secretary or other designated officer shall keep the register strictly in accordance with the provisions of this Act and the by-laws of the Society.

(4) The register, or a copy or extract thereof certified by the Secretary or other designated officer, shall be prima facie evidence in all courts in the Province and before all justices of the peace in and for the Province that such persons therein named are members of the Society and are in the class of membership of the Society specified therein.

(5) The absence of the name of any person in the register, or a copy thereof certified by the Secretary or other designated officer shall be prima facie evidence in all courts in the Province and before all justices of the peace in and for the Province that such person is not a member of the Society.

(6) Only those members whose names are inscribed in the register shall be entitled to the privileges of membership in the Society in accordance with the class of membership specified therein as being held by them.

(7) The register shall at all reasonable times be open for inspection by the public at the head office of the Society.

Certificate  
of  
registration

**13.** A certificate of registration bearing the seal of the Society shall be issued to each registered member of the Society, but such certificate shall remain the property of the Society and may be reclaimed by an officer of the Society when the registered member to whom such certificate was issued ceases to be a registered member of the Society in good standing.

Designation  
of  
registered  
members

**14.** (1) Every registered member of the Society may, so long as he remains a registered member of the Society in good standing, use the designation "Registered Industrial Accountant" and may use after his name the letters

“R.I.A.” provided that the use of the said designation and of the said letters shall be strictly in accordance with the provisions of the by-laws of the Society relating thereto.

(2) Any person not being a registered member of the Society in good standing and using the designation “Registered Industrial Accountant” or the letters “R.I.A.” or any name, title or description implying that he is a registered member of the Society, or any person holding himself out as such registered member, is guilty of an offence.

(3) Any person who is guilty of an offence under this section is liable on summary conviction to a fine not exceeding \$100 for the first offence and not exceeding \$200 for every subsequent offence.

Meetings

**15.** (1) A general meeting of the members of the Society shall be held annually at such time and place and upon such notice as may be provided in the by-laws of the Society for the purpose of electing the Council of the Society and for the purpose of dealing with such other business of the Society as may be brought before the meeting.

(2) Special general meetings of the members of the Society may be called and held in accordance with the provisions of the by-laws of the Society.

Professional  
Conduct  
Committee

**16.** (1) The Council shall appoint a standing committee to be known as the Professional Conduct Committee whose function shall be to investigate and determine any complaint of professional misconduct made against any member or members of the Society.

(2) Subject to the provisions of the by-laws of the Society, the Professional Conduct Committee shall consist of five registered members of the Society, one of whom shall be appointed by the Council as chairman thereof.

(3) No Council member shall be appointed to the Professional Conduct Committee.

(4) The tenure of office of members of the Professional Conduct Committee shall be determined in the sole discretion of the Council.

Professional  
misconduct

**17.** (1) For the purposes of this Act and the by-laws of the Society, professional misconduct shall be deemed to include

- (a) contravention of any provision of this Act or of the by-laws of the Society;
- (b) contravention of any rules made by the Council pursuant to section 9;



- (c) conduct which is inimical to the best interests of the public, the profession, or the members of the Society;
- (d) conduct which is detrimental to the character, dignity, honour, or reputation of the profession of the Society;
- (e) conduct evidencing a lack of competency or want of skill to the extent that such conduct tends to harm the standing of the Society or its members and is thereby inimical to the best interests of the Society.

(2) Subject to the provisions of this Act respecting appeals, whether or not a member is guilty of professional misconduct shall be a question of fact to be determined solely by the Professional Conduct Committee.

**Complaints**

**18.** (1) Complaints of professional misconduct may be made by any person, whether such person is a member of the Society or not, and shall be made in writing and directed to the head office of the Society.

(2) In the event that the Society receives a complaint of professional misconduct against a member of the Council, or a member of the Professional Conduct Committee, such member shall forthwith be removed from the Council, any office of the Society held by such member, or from the Professional Conduct Committee, as the case may be, until all proceedings respecting the complaint have been completed, at which time such member may, in the discretion of the Council, be reinstated to the Council and any office of the Society which he held previous to the receipt by the Society of the complaint, or to the Professional Conduct Committee, as the case may be.

**Investigation of complaint**

**19.** Upon the receipt by the Society of a complaint, the Professional Conduct Committee shall conduct such investigations as it considers necessary and upon completion of such investigations may either:

- (a) direct that a hearing be conducted in accordance with the provisions of this Act, the by-laws of the Society and any rules which may be made by the Council pursuant to section 24;
- (b) direct that no further action be taken and so notify the complainant, if the Professional Conduct Committee is of the opinion that the complaint is frivolous or without basis, or, if proven, would not constitute professional misconduct.

**Hearing**

**20.** (1) In the event that the Professional Conduct Committee directs that a hearing be conducted in accordance with section 19, a notice shall be served on the member whose conduct is the subject of the hearing at least 14 days prior to the date of the hearing, which notice shall contain the following:

- (a) a statement of the conduct complained of;
- (b) the date, time and place of the hearing;
- (c) a statement of any relevant documents or other evidence to be produced by the member at the hearing.

(2) In the event that a member of the Society who is served with the notice referred to in subsection (1) fails to appear at the hearing, the Professional Conduct Committee may proceed in his absence and such member is not entitled to any further notice.

(3) In the event that a member of the Society is served with the notice referred to in subsection (1) and fails, without reasonable excuse, to produce the documents or other evidence stated in the said notice, the Professional Conduct Committee may refuse to hear his evidence and may determine the questions in issue on the basis of the evidence submitted by the complainant.

(4) The Professional Conduct Committee may require the attendance of witnesses by a notice issued under the hand of the Secretary and the seal of the Society and stating the place and time at which the witness is to attend and the documents, if any, that he is required to produce.

(5) A witness who is served with the notice referred to in subsection (4) is entitled to demand and to be paid the usual fees payable to witnesses in an action in the Trial Division of the Supreme Court of Alberta, if the witness is a person other than the member whose conduct is being investigated.

- (6) A witness
  - (a) who fails to produce documentary evidence in obedience to a notice, or
  - (b) who fails to attend before the Professional Conduct Committee in obedience to a notice, or
  - (c) who fails in any way to comply with the notice, or
  - (d) who refuses to answer any questions allowed by the Professional Conduct Committee or refuses to take an oath as required by the Chairman of the Professional Conduct Committee,

may be proceeded against in the Supreme Court of Alberta as for a civil contempt of that Court.

(7) Subject to subsections (8), (9) and (10), the Professional Conduct Committee in conducting a hearing pursuant to this Act is not bound by the technical rules of evidence in actions or proceedings in any courts and may proceed to ascertain the facts in such manner as it considers proper.

(8) The testimony of witnesses in hearings conducted by the Professional Conduct Committee shall be made under oath.

(9) All evidence produced and determinations made at hearings conducted by the Professional Conduct Committee shall be recorded in such manner as the Professional Conduct Committee may consider necessary having regard to the appeal provisions of this Act.

(10) Any witness testifying at a hearing shall be subject to cross-examination either on the oral testimony made by him at such hearing, or on such documents as he may have produced.

(11) A member against whom the complaint of professional misconduct has been made may, at his own expense unless otherwise ordered by the Council pursuant to section 25, be represented by legal counsel at a hearing conducted pursuant to this Act.

Order of  
Professional  
Conduct  
Committee

**21.** (1) Upon completion of a hearing conducted in accordance with the provisions of this Act, if the Professional Conduct Committee finds the member or members whose conduct is the subject of the complaint guilty of professional misconduct, it may, subject to the approval of the Council as provided by this section

- (a) order the reprimand, censure, suspension or expulsion of any such member as it considers just;
- (b) order that a member found guilty pay, in addition to or in lieu of any such reprimand, censure, suspension or expulsion, a fine of not more than \$500 to the Society within a time to be fixed by the order, and may further order that in default of payment of such fine within the time for payment provided, that the member be suspended until the fine has been paid.

(2) No order of the Professional Conduct Committee made pursuant to subsection (1) shall be of any force or effect until the approval of the Council has been endorsed thereon.

(3) Upon the written approval of the Council being endorsed thereon, the order shall be served upon the member who has been found guilty of professional misconduct by mailing the order in a prepaid envelope addressed to such member at the address shown for such member on the register of the Society.

(4) Service of the order shall be deemed to have been effected on the day that it would, in due course of post, reach the address to which it is directed.

(5) The order shall be effective commencing on the 31st day after service as aforesaid unless:

- (a) the Council otherwise orders pursuant to subsection (7), or
- (b) an appeal from the order has been commenced in the Supreme Court of Alberta and the Council has received written notice thereof.

(6) If a member is found guilty of professional misconduct and is ordered to be suspended or expelled, the name of such member shall be removed from the register of the Society immediately upon the order becoming effective as provided by this Act.

(7) If the Council is of the opinion that the conduct of the guilty member is of such a serious nature as to warrant immediate action, it may, at the time it approves an order made pursuant to subsection (1), direct that such order shall be effective on the date of service thereof and shall remain effective unless rescinded or varied by the Supreme Court of Alberta.

Refusal of Council to approve order

**22.** Notwithstanding any of the provisions of this Act or the by-laws of the Society, the Council may refuse to approve an order of the Professional Conduct Committee upon special circumstances being shown why the order should not be made.

Protection against action

**23.** No action lies against the Professional Conduct Committee or the Council or any member or members thereof, or any person acting on their instructions, for anything done in good faith and in purporting to act pursuant to this Act or the by-laws of the Society.

Rules governing hearings

**24.** The Council may make rules governing the procedure in dealing with complaints including the manner in which hearings are to be conducted and determinations made provided that such rules shall in no way disturb the authority of the Professional Conduct Committee as provided by section 17, subsection (2).

Costs

**25. (1)** The Council may order to be paid out of the funds at its disposal such costs as it deems just to any person against whom a complaint has been made, which, upon completion of a hearing in accordance with this Act has been found to be frivolous or vexatious.

(2) When a member has been found guilty of professional misconduct, the Council may order that the costs of and incidental to a hearing conducted pursuant to this Act be paid by the member.

(3) In the event a member ordered to pay costs pursuant to subsection (2) fails to comply with such order, the Society may have such costs taxed by the taxing officer of the

Supreme Court of Alberta and thereafter execution may issue out of the said Court for the recovery of the costs in like manner as upon a judgment in an action in that Court.

(4) The costs to be taxed and allowed shall, as far as practical, be the same as the analogous or like costs in an action in the Supreme Court.

Appeal to  
Supreme  
Court of  
Alberta

**26.** (1) Where a member has been found guilty of professional misconduct and has been ordered to be suspended, expelled or fined, the member may, subject to subsection (3), appeal to the Supreme Court of Alberta either from the finding of guilt or the punishment imposed by the order or both.

(2) Where a member has been ordered to pay costs pursuant to section 25 he may appeal such order in accordance with the provisions of subsection (3).

(3) The appeal shall be commenced by originating notice of motion which shall be filed with the Clerk of the Supreme Court of Alberta within 30 days after the date of service of the order in accordance with the provisions of this Act.

(4) The Alberta Rules of Court shall be applicable to all appeals commenced pursuant to this Act.

(5) The decision of the judge of the Supreme Court of Alberta hearing an appeal pursuant to this section shall be final and binding on the parties to the appeal.

Copy of  
proceedings

**27.** The Professional Conduct Committee, upon the request of any member desiring to appeal, shall furnish him with a certified copy of all proceedings, reports, orders and papers upon which the Committee or the Council acted in making the order appealed against.

General

**28.** The Society may authorize or institute any proceedings under this Act.

Right to  
practice

**29.** This Act shall not affect or interfere with the rights of any person not a member of the Society from carrying on the business, in Alberta, of accounting and from designating himself as an accountant.

Repeal

**30.** This Act repeals and replaces *The Society of Industrial Accountants of Alberta Act, 1944*.

Commence-  
ment

**31.** This Act comes into force on the day upon which it is assented to.