



Transformation Policy of the Institute of Accounting and Commerce (IAC)

Transformation is one of the goals of the Institutes strategic plan which highlights what needs to be done to develop IAC in particular ways over the next 5 to 12 years leading up to 2030.

This goal includes the following:

Achieve non-racialism through diversity, inclusiveness and the equal recognition of all members who belong to the Institute.

IACs transformation goal has 4 elements:

- Making the Institute a more representative Institution in terms of its designation offerings, Board, Staff, and all of its Members
- Promoting enhanced educational diversity in the Accounting Industry
- Transcending the idea of race
- Improving the Institutional climate and having an enhanced focus on our African perspectives especially through PAFA.

The IAC is committed to the goal of non-racialism. A non-racial Institute is one where historical apartheid categories no longer have relevance to the probability that a member will gain membership or to a staff member's likelihood of promotion.

The IAC is committed to be a transformed Institute and will be one in which we no longer hold stereotypical views of others based on their gender, race or disability.

The IAC is committed to be a transformed Institute and will be one in which the underlying historical power relationships, of which various forms of discrimination are symptoms, are fundamentally altered and equalized.

However, we are not there now, and so intervention along race, gender and disability lines remains necessary. We will therefore use instruments and measures of race only where they are necessary to promote transformation to promote our ultimate goal, namely an Institute that is aware of the legacy of race and racism in South Africa and has moved beyond these boundaries.

Aside from the transformation of IAC, the Institute is profoundly concerned with transformation in the broader society and with issues that affect the Industries we operate in.

A Strategic 2030 Plan of IAC

Historical View of IAC

The Institute of Accounting and Commerce (IAC) (formerly The Institute of Administration and Commerce) was established in 1927 as a provider of distance learning education and a professional management institute.

In 2009 the Institute changed to become a professional accounting membership body only and is registered in South Africa as a non-profit company (NPC) (Reg. No. 1981/011981/08).

In terms of section 60 of the close corporations act 69 of 1984, the IAC registers Accounting Officers, and since 2013 is also a Recognized Controlling Body with SARS for Tax Practitioners (in terms of section 240A of the Tax Administration Act 28 of 2011).

The Institute was the first Institute to become a Recognized Controlling Body for Business Rescue Practitioners with CIPC in 2017 in terms of Section 138(1) (c), (d), (e) and (f) of the Companies Act 71 Of 2008.

The IAC Vision

To be a dynamic world class Professional Accounting Institute (incorporating related fields) at the forefront of technology and an integrated approach to the profession.

The IAC Mission

It is the aim of the Institute to be recognized as the pre-eminent Professional Body for Accountants and other related professionals by actively promoting the effective utilization and development of qualified professionals, through the achievement of excellence in standards of professional competence and socially acceptable ethical conduct amongst its members, through a dynamic integrated approach to the legislative and environmental arena.

Creating an Institution culture

The Purpose of the Institute Code of Ethics and Professional Conduct is to set the standards of behavior, which all directors, members and employees (hereafter collectively referred to as members) of the Institute will be required to adhere to.

It sets the ethical standards for business practice and individual business conduct, and it seeks to assist and guide all relevant stakeholders with their ethical deliberations, choices, decisions and conduct.

The supporting guide to Good Administrative and Managerial Practice has been developed to cover what are considered to be the four major areas of responsibility for practicing members.

These are:

- Duties and responsibilities as individuals.
- Duties and responsibilities towards clients
- Duties and responsibilities towards organization
- Duties and responsibilities towards the community

Professionally qualified administrators or managers need to be held in high regard – particularly as relates to their ethical character and professionalism.

The Institute believes that the Code of Ethics and Professional Conduct will help place its members in a more appropriate light in the eyes of their employers, employees, business and professional associates, younger people contemplating a professional career in the Accounting Industry as well as society at large. Hence our declared objective of achieving “... the highest standards of professional competence and ethical conduct amongst our members....”

The Institute’s Code of Ethics and Professional Conduct is binding on all members of the Institute.

Violation of the principles and guidelines contained herein will lead to disciplinary action under this Code and the disciplinary powers contained under the Institute’s MOI and By-Laws.

Our Core Values

In pursuit of our vision, mission and declared culture objective, we invest in the core values of:

- **Integrity**
 - Requiring each of us to be honest, consistent and open in our conduct.
- **Inclusiveness**
 - Requiring each of us to take the interests of all relevant stakeholders into account in our decision-making and practices.
- **Quality**
 - Requiring each of us to deliver services and practices of an exceptional standard.
- **Professionalism**
 - Requiring each of us to display the character and competence in which others can place confidence.
- **Aspiration**
 - Requiring each of us to push beyond the existing limits, and to strive to break new ground.

- **Progressiveness**

- Requiring each of us to continuously broaden our knowledge and to develop our skills in order to be at the forefront of developments in our profession.

- **Human Dignity**

- Requiring each of us to recognize the inherent worth of every human being and to treat all people accordingly.

- **Leadership and Innovation**

- Requiring each of us be leaders in our field of expertise and to be aware of the potential for value-adding innovation and leadership in all our practices and services.

The Institute is firmly grounded in these eight core values that we embrace and practice in pursuit of our objectives. Our expected standard of conduct is furthermore supported by our unwavering commitment to uphold the primary principles of ethical conduct that underpins our values.

PROFESSIONAL ADMINISTRATIVE AND MANAGERIAL PRACTICE

❖ Duties and responsibilities as individuals

Members of the Institute, have personal responsibilities, and shall:

- Demonstrate integrity and humanity, and avoid all unfair discriminatory practices including those relating to race, colour, language, nationality, ethnic origin, gender, age, handicap, religion, social and political background;
- Have high regard for the interests of society in carrying out the policies of the organisation in which they are employed;
- Not injure or attempt to injure, maliciously or recklessly the professional reputation, prospects, interests or business of other individuals, irrespective of whether they are members of the Institute or not;
- Not use any information gained during the provision of professional services to a client, for personal gain either for themselves or for any other person whatsoever;
- Properly balance the interests of their employer with their personal responsibilities and commitments;
- Engage in continued learning to improve their professional competence and pursue new ideas, methods, practices and advances in technology;
- Accept only such work as they believe they are qualified or competent to perform, and where necessary, obtain expert advice, assistance or supervision;
- Be fully conversant with the codes of other professional associations which are relevant to their work responsibilities;
- When called upon to give an opinion, to do so objectively and to the best of their ability;

- Not accept gifts or hospitality from a client if it poses a risk to a member's objectivity and professionalism
- Not allow any person to use their practice number, even if they are in partnership with such a person;
- Act honestly and fairly in their dealings with others; and
- Be courteous to others at all times.

❖ Duties and responsibilities as towards clients

Members of the Institute, as professionals, have specific responsibilities towards their clients, and shall:

- Strive to the best of their ability to serve the needs of their clients efficiently and professionally;
- In regard to the affairs of the client, act and perform their professional functions in good faith, honestly and diligently;
- Always maintain objective, professional standards and ensure that the legitimate interest of the client being advised is paramount in any recommendations and advice given;
- Always ensure that the clients' interest rank ahead of any other business pressure on or business commitment they may have;
- Not attempt to sway the client's judgments to obtain commercial or financial benefit for their employer, associates or themselves;
- Act diligently in accordance with applicable technical and professional standards when providing professionals services;
- Only accept that number of clients as they can effectively and professionally service;
- When requested or by law required to do so, advise clients on the financial management of their business;
- Not disclose any aspect of the business affairs of a client to a third party, which includes family members and social acquaintances, except as required by law, under written authority granted by the client, or under professional duty or right to disclose;
- Report to the client any dishonest or criminal activity discovered in the course of their duties;
- Not make exaggerated claims for the services they are able to offer, the qualifications they possess, or experience they have gained;
- Have proper regard for the professional standards expected of them and shall not continue work for which they are not competent without first obtaining such or assistance as is necessary to enable the work to be carried out competently;
- Maintain professional independence at all times without control of influence from others and, in event of any potential or current conflict of interest arising, inform all interested parties and offer to withdraw; and
- Only charge a client for professional services rendered.

❖ **Duties and responsibilities of members towards organisations at which they are employed**

Members shall take appropriate actions to achieve the objectives of the organisations at which they are employed by following recognised standards and methods of professional practice.

In particular, their actions should include:

- The effective and economic management of all available resources;
- The appointment, training and development of employees seeking to integrate their aspirations with the requirements of the organisation;
- The creation of a humane, safe, healthy and satisfying working environment;
- The development of effective communication, understanding and cooperation between all employees;
- The practice of delegation of authority wherever possible and the acceptance of responsibility for the work of subordinates;
- The fair, objective and equitable treatment and remuneration of employees;
- Immediate full disclosure of any personal interest and refraining from activities which conflict with the interests of the organisation and the acceptance of gifts which could be interpreted as undue influencing;
- The frequent review of objectives; and
- The sustainment of the rights, honour, and integrity of the organisation.

❖ **Duties and responsibilities towards the community**

Members shall recognise the interests of the community and act accordingly.

Their actions should include:

- Making every endeavour to conserve the environment, having regard for the rights of future generations;
- Preserving and, wherever possible, improving the quality of life within the organisation's sphere of influence;
- Promoting the development of further understanding in society of the role and place of the business community;
- Ensuring that all contracts and terms of business are clear, concise and honoured in full, unless terminated or modified by mutual consent;
- The exclusion of corrupt practices;

- Ensuring that all their communications are true and not misleading;
- Respecting the cultural and moral standards and the dignity of the individual;
- Participating in public affairs, utilising available professional capacity; and
- Conducting their professional life consistently within the canons of good citizenship.

IAC focus areas

A new, inclusive identity for IAC

We want a membership base and staff body that is more representative of the country and for members and staff to see themselves, their cultures, values, and knowledge systems – reflected at the Institute.

Global partnerships with a distinctive African focus

We want to advance the status and distinctiveness of our footprint in Africa, and attract and connect people from all over the world, by promoting a vibrant and supportive intellectual environment at IAC.

Learnership through Approved Training Centre

We want to improve students' exposure, broaden their academic perspectives, stimulate their social consciousness and cultivate more citizens by renewing our approach to provide learnerships to students.

Social impact through engaged Bursaries

We want to enhance IAC to be engaged in bursaries to address critical development and social justice issues, including the expansion of community and external partnerships.

Strategic objectives for the Transformation Plan

The strategic objectives for the transformation of IAC include:

- **Demographic** change
- Making the Institute a place that is experienced by all its staff and members as being **inclusive**
- Developing inclusive programs and engaging with **African counterparts**.

Demographic change

Demographic change is necessary as a corrective action in respect of past imbalances.

It is necessary to:

- Create the critical diversity that will produce new insights
- Generate a healthier education environment to the profession
- Promote inclusiveness within the Institute
- Prepare members for a multicultural clients

IAC aims to have:

- the full diversity of South Africa represented at IAC, weighted towards the historically disadvantaged communities of the South Africa
- Have a significant number of members from other African countries and further afield.

With regard to our membership equity profile, the profile of our membership remains predominantly white. We aspire to seek registration with the QCTO to register a qualification that would license IAC to open more Approved Training Centres in order to have an intake which would be an average of the demographic profiles of students wanting to enter the profession.

We will carefully monitor the applications by disabled members and implement measures to provide support where appropriate to make it easier for disabled members to gain access into the IAC membership.

The IAC Board should set annual targets aimed at steadily progressing towards full transformation by 2024 in accordance to the Financial Sector Charter.

Inclusiveness Programs

Only if we succeed in creating an affirming, positive environment for all will we be able to create the vibrant, diverse body of people that we need to be a truly great Institution.

Central to the task is being mindful of IAC's diversity of views and to promote an ethos of mutual respect. We need to focus on treating people equally, overcoming deep beliefs and conditioning that some are better than others, overcoming the stereotypes we hold, and valuing diversity and difference.

IAC as an Institution engaging with African counterparts

Central also in promoting an environment that is inclusive is the need for the Institute to strengthen its relationship with our African counterparts.

If it is to transform itself into an inclusive space of promoting the accounting profession, it has to change these perceptions.

This process includes:

- The expansion of outreach work
- Social responsiveness activities in these communities
- Public relations
- Highlighting the achievements these communities.