



# BY-LAWS

INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
OF KENYA

Established under The Accountants Act  
(No. 15 of 2008)

Issued by:-

The Council Institute of Certified Public Accountants of  
Kenya

P.O. BOX 59963 – 00200

City Square, NAIROBI, KENYA.

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## CONTENTS CLAUSE PAGE

<b>Statements</b>	<b>Articles</b>	<b>Pages</b>
1. Introduction	1 to 3	3
2. Members	5 to 16	3 - 5
3. Council	17 to 24	5 - 6
4. Organization & Procedures	25 to 27	6 - 8
5. Finances	28 to 32	8
6. General	33 to 40	9 - 10
7. Meetings	41 to 43	11
8. Elections and Nominations	44 to 76	12 -15

## STATEMENT 1. INTRODUCTION

### *Powers to Make By-Laws*

1. The Institute may from time to time, by resolution passed by a majority of not less than two-thirds of the members present and voting ( in person or by proxy) at a meeting specifically convened for the purpose with at least fourteen days notice in writing, make such by-laws regulating the affairs of the Institute as it deems fit and from time to time rescind or vary any such by-laws and make others in their stead but so that the by-laws shall not in any respect be inconsistent with the express or implied provisions of the Act.

### *Commencement of By-Laws*

2. These by-laws of the Institute shall take effect on the date the same have been passed by a majority of two-thirds of those present and voting at a meeting duly convened for this purpose.

### *Meaning of Words*

3. Words in these by-laws have the same meaning as in the Act, and references herein to Associates, members, fellows, and meetings etc., shall, unless the contrary intention appears, be construed as having reference to Associates, members, fellows, and meetings respectively of the Institute.
4. "The Act" means 'The Accountants Act, Number 15 of 2008'

## **STATEMENT 2. MEMBERS**

### *Entrance Fees and Subscriptions*

5. Each person shall on being notified of his registration under Section 4 (1) of the Act remit to the Institute within a period of 30 days such entrance fees and subscriptions as the Council may determine from time to time.

### *Annual Subscriptions*

6. Annual subscriptions shall become due and payable on the first day of January in each year from all members on the register of the Institute on the preceding 31st Day of December.

### *Scales of Annual Subscriptions*

7. Each member on the register shall pay the annual subscription applicable to him on the first day of January of each year and such additional subscription as may be due by reason of a member changing his subscription category during the year.
8. Where a person is registered after the last day of June in any year, he shall pay one half of the subscription applicable in that year.

### *Cancellation of Registration*

9. Where any entrance fees, subscriptions or other appropriate dues remain unpaid after three months from the due date, the member in default will be liable for exclusion from membership of the Institute in accordance with Section 29 (1) (c.) of the Act

unless an agreeable payment schedule is entered into with the Institute. Where the Council has entered into a payment scheme of an outstanding amount with a member, an administrative charge as determined by the Council, shall be payable to the Institute. Failure to honor such agreed upon payment schedule will cause the member to be liable to immediate exclusion from membership”.

#### *Forfeiture of Rights*

10. Any member whose subscription remains unpaid after the due date shall be deprived of his rights of voting, proposing or seconding candidates for, and of being appointed or elected to, any office of the Institute.

#### *Remission of Subscription*

11. The Council may remit all or a part of the subscription due from any member in consideration of any hardship circumstance suffered or experienced by such member. For the purposes of this provision, the following are the circumstances that will qualify as hardship: Retirement by the Member where such member attains the age of 60 and/or illness necessitating hospitalization for a continuous duration exceeding six months.

#### *Certificate of Membership*

12. Each member shall be entitled to receive a certificate of membership of the Institute, but certificates shall not be issued to new members until their dues have been received. Certificates of membership

shall remain the property of the Institute and shall be returned to the Secretary of the Institute upon suspension or termination of membership of the member concerned.

#### *Particulars of Members*

13. It shall be the duty of each member to inform the Secretary of any change of address as soon as it occurs. It shall further be the duty of each member to supply the Council with any information which may be required for the purpose of carrying out the provisions of the Accountants Act or these by-laws.
14. The Institute shall not be responsible for any loss occurring due to failure by any member to supply the information referred to in by-law 13.

#### *Resignation from Membership*

15. Any member may tender his resignation from membership by sending a notice in writing to the Secretary. The Council may make separate guidelines for action on resignations of members not in good standing or against whom disciplinary proceedings or investigations are pending.

#### *List of Members*

16. An up-to date list of members of the Institute, together with such other By-Laws, guidelines and Regulations concerning the Institute as the Council may deem necessary, shall be maintained at the Office of the Institute and shall be posted on the Institute's official website, from where members can access the information, free of charge.

## STATEMENT 3. COUNCIL

### *Meetings of the Council*

17. The Council shall meet at the Office of the Institute on the 3rd Monday in each month, or at such other times and places as it may determine.

### *Convening of Council meetings*

18. 18.A meeting of the Council may at any time be convened by order of the Chairman or Vice Chairman or at the request in writing, addressed to the Secretary, or three members of the Council.

### *Notice of Meetings*

19. Notice of each meeting of the Council shall be sent to each of Council member of the Council at his mailing address as shown in the official records of the Institute, at least seven days before such meeting excluding the day on which the notice is sent and the day on which the meeting is to be held.

### *Voting*

20. At all meetings of the Council the vote of the majority of those present and voting shall prevail and, as provided in Section 8 of the Second Schedule of the Act, the person presiding shall have a deliberative vote and a casting vote in the event of an equality of votes.

### *Quorum*

21. At all meetings of the Council 5 members shall form a quorum.



### *Minutes*

22. A copy of the minutes of each meeting of the Council shall be forwarded to each member of the Council

### *Past Chairman*

23. When a new Chairman is elected into office, the immediate Past Chairman may be invited to attend all the Council meetings for a period of one year, or until the next Annual General Meeting after his ceasing to be the Chairman.

### *Use of Common Seal*

24. The Common Seal shall not be affixed to any instrument except by order of the Council and in the presence of the Chairman or the Vice Chairman and a member of the Council. Every such instrument shall be signed by the two persons in whose presence the seal is affixed, and be countersigned by the Secretary or such other permanent officer of the Institute as the Council may from time to time direct.

## **STATEMENT 4.**

### **ORGANIZATION AND PROCEDURES**

#### *Secretary*

25. The Secretary shall be responsible to the Council for all executive functions of the Institute.
26. All official communication from the Institute to the members shall be sent by the Secretary and such communication will be sent to the address of the members as appearing in the records of the Institute or in such other manner as the Council directs. Any such correspondence mailed to the member shall be deemed to have been duly served seventy-two hours after the time of mailing the same.

#### *Committees*

27.
  - i. Subject to the specific provisions in the Act governing the deliberations of the Disciplinary Committee and the Registration & Quality Assurance Committee, the provisions under this heading apply to all the committees.
  - ii. The Council may appoint committees, sub-committees, steering committees or any other committees or workgroups and may prescribe their duties, powers, responsibilities and procedures in the manner it deems fit.
  - iii. save as otherwise expressly authorized, any act, decision or powers exercised by the committees

shall not be binding on the Council

#### *Committee Members*

- iv. Appointments to or removal from the membership of the committees shall be approved by the Council.
- v. Each Committee shall consist of not less than 5 or more than 10 members excluding the ex-officio members.
- vi. Committees may with the approval of Council co-opt additional members to hold office for a period not exceeding one year

#### *Convenors of Committees*

- vii. Each Committee shall be presided over by an official to be known as the “Convenor” who will be appointed by the Council.
- viii. (The Chairman, Vice-Chairman and Secretary shall be ex-officio members of all the committees.

#### *Duration of and Exclusion from Membership*

- ix. One third of the members of each committee except the Convenor shall retire every year but such retiring members shall be eligible for reappointment by consent of the Council.
- x. Those members to be retiring will be determined

either by mutual agreement, or by lot.

- xi. Absence from the three consecutive meetings without good cause or notice shall render the member liable to exclusion from membership.

### *Quorum*

- xii. The quorum for a meeting will be equal to fifty percent of the total membership rounded to the greater whole number in the event that total membership is an odd number.

### *Frequency of Meetings*

- xiii. Committees shall hold meetings at least once in two months or at such times as the Convenor may decide.

### *Terms of Reference*

- xiv. The Council shall define the terms of reference of each committee and the committee shall be bound to act within these terms.
- xv. The Council shall have power to assign additional duties to committees.

### *Procedure Matters*

- xvi. If the Convenor is not present at a committee meeting then the members present shall elect a person amongst them to preside over the meeting.
- xvii. Committee members and the Secretary only, will attend meetings, and no other person without the

express authority of the Convenor shall be present at such meetings.

- xviii. Resolutions arising at a meeting shall be passed by a majority of the members present and voting.
- xix. In case of equality of votes, the Convenor or the member presiding will have a casting vote.
- xx. The Secretary shall cause minutes to be kept of all the proceedings at meetings.

## **STATEMENT 5. FINANCES**

### *Receipts and Payments*

- 28. All monies received by the Institute shall be paid intact into the bank account of the Institute.
- 29. The Council shall from time to time authorize all expenditures for and on behalf of the Institute.

### *Investment and Employment of funds*

- 30. The Council shall have full powers to invest the surplus of the Institute in any manner it deems fit in the best interests of the Institute

### *Borrowing*

- 31. The Council may from time to time borrow money for the purpose of the Institute and may pay interest and other finance charges out of the funds of the Institute.

### *Audited Accounts*

32. Audited Accounts, namely an Income and Expenditure Account for each financial year and Balance Sheet as at the end of that year shall be laid by the Council before the members at the annual general meeting. The date of the said Balance Sheet shall not be more than six (6) months earlier than the date of such meeting. The Audited Accounts may be sent or otherwise made available by electronic means and not by post. The Institute shall send the audited accounts electronically to members electronic mail address as availed to the Institute and shall not be bound to send to members whose address is not known. The Institute may also avail the Audited Accounts to all persons entitled thereto by publishing them on the Institute's official website and drawing attention to the website on which the Audited Accounts in full may be read, and the address to which requests for a printed copy may be submitted. Upon such publication, the Accounts shall be deemed to have been sent to every Member entitled to receive a copy of the Audited Accounts.

## STATEMENT 6. GENERAL

### *Professional Ethics and Standards*

33. In order to promote acceptable standards of professional competence and practice amongst members of the Institute, the Council may issue and the members shall accept standards of practice in the accounting profession and guidelines on ethical behavior. For purposes of enforcing discipline, the provisions of the code of ethics and related guidelines shall be an addendum to Section 30 of the Act.
34. In order to maintain and improve technical skills and abilities amongst members of the Institute, the Council may issue and the members shall accept regulations concerning Continuing Professional Development. Members are required to observe the following regarding the Continuing Professional Education:
- i. “ Members of the Institute shall be required to, at the end of each year, furnish the Institute with information on their Continuing Professional Development activities for each year, not later than three months after the end of that year.
  - ii. In the event that the member has failed to comply with the laid down regulations concerning Continuing Professional Development requirements, existing at the time, they shall be required to ensure such compliance is achieved in

the ensuing calendar year..

- iii. iii.)“Members of the Institute who are classified as Retired Members, as may be defined from time, but continue to practice as auditors shall for the purposes of this provision not be considered as members in retirement.

A member who fails to comply with these provisions shall be deemed guilty of Professional Misconduct as prescribed by the Accountants Act No. 15 of 2008 in Section 30 (1) (h) and shall be liable to disciplinary action.

- 35. In order to maintain and improve professional skills and abilities amongst practicing members of the institute, the Council will issue and members shall accept regulations concerning Audit Quality Review.
- 36. The practising firm's name must not include any name other than any of the following:
  - i. The names of existing partner or partners
  - ii. The names of former partner or partners.
  - iii. The names of the existing or former partners of a firm with which a member becomes associated.
  - iv. Abbreviations of the names of the existing or former partner or partners.



- v. Any other name that may be approved by Council

### *Designation*

- 37. Members in practice shall describe their firms as ‘Certified Public Accountants’ or “Certified Public Accountants of Kenya”.

### *Practice*

- 38. “Members in practice shall sign on their assurance engagements in their own names on behalf of their firm whether they are sole proprietorships or partnerships. They may however sign using the name of the firm provided the name of the person signing is indicated in a prominent place below the signature.
- 39. While it is recognized that liability for losses by clients is borne by all partners jointly and severally, the Institute shall commence disciplinary proceeding against members for professional misconduct as individuals unless where all partners are involved in which case disciplinary action shall be taken on the entire firm.
- 38. “members who are in practice and are suspended pursuant to a disciplinary process under the Act shall hand over the activities of the firm to an interim manager approved by the Institute for the period of suspension in the case of sole practitioners or to the other partners where there is more than one partner”

39. Members of the Institute in public accounting practice shall be required to furnish the Institute with information on any new branches of their accounting practice that they setup. In addition, where such branches are managed by a Manager who is not a partner of the firm, Such managers shall be required to be registered members of the Institute. In such cases, the partner or partners of the firm shall be required to demonstrate to the Council that they thoroughly and properly review the work undertaken in their Branch or Branches at regular intervals and furnish written evidence of such reviews upon request by the Council.

#### *Disciplinary Appeals*

40. Any member of the Institute who has been disciplined by the Disciplinary Committee and wishes to appeal to Council under section 33 (3) of the Accountants Act shall pay the costs for the appeal as determined by Council and a deposit of the defined amount shall be required at the time of delivering the memorandum of appeal or within a month there from.

## STATEMENT 7. MEETINGS

### *Annual General Meeting*

41. The Annual General Meeting of the Institute for transaction of the ordinary annual business of the Institute (namely the election or re- election of the Chairman and members of the Council, the receipt and consideration of the annual report of the Council and accounts of the Institute together with the auditor's report thereon and appointment of auditor) shall be held in Nairobi or elsewhere in Kenya in every year within six (6) months after the end of the financial year.

### *Special General Meeting*

42. The Council may, by giving not less than 14 days notice and upon a requisition signed by at least One Hundred members and accompanied by a deposit of a sum sufficient to cover the expenses incidental to the summoning and holding of the meeting, convene a Special General Meeting within 28 days of the receipt of the requisition. Every such requisition and notice shall specify the purpose for which such meeting is requisitioned or called. No other business shall be considered at such meeting. In the event of the proposal of the requisitionists being carried, the deposit shall be refunded to the persons by whom it was paid. If the Council, within 28 days from the date of the requisition fails to proceed duly to call a Special General Meeting, the requisitionists or any 100 or more of them may themselves call a Special General Meeting giving not less than 14 days notice thereof,

provided that any meetings so called shall not be held after the expiration of 3 months from the said date. In the event of the Council failing to proceed as aforesaid, the deposit paid by the requisitionists shall be returned to them.

### *Quorum*

43. At every Annual or Special General Meeting a hundred members personally present shall form a quorum. If at such meeting a quorum be not present within one hour of the appointed time for holding the meeting, the meeting, if convened upon requisition of members, shall be dissolved. In any other case it shall stand adjourned until the same day in the following week at the same time and place and if a quorum is not present at the adjourned meeting within fifteen minutes after that time, the members present shall form a quorum.

## STATEMENT 8. ELECTIONS

### *Chairman*

44. In accordance with Section 1 (1) of the first schedule of the Act a Chairman will be elected annually by the members to serve for the ensuing year.

### *Nomination Procedures*

45. All nominations for elections to the office of the Chairman must be completed on the official nomination form which will be obtained from the Institutes office, website or by written request to P. O. Box 59963 - 00200 City Square, Nairobi.
46. The nomination paper must be signed by the nominee indicating his willingness to stand for election and by a proposer, seconder and five members of the Institute, all of whom must have paid their subscription for the current year. Duly completed nomination papers must reach the Institute's office not later than the time stipulated by the Council.
47. Every completed nomination paper must be returned together with brief details of the nominee which shall be provided in a format to be decided by the Council.
48. Only eligible members of the Institute can vote for Chairman and Council members. Associate and Honorary members shall not be eligible to participate or vote in elections.
49. Duly completed nomination papers must reach the

Institute's registered office not later than the time stipulated by the Council. The nomination papers shall be forwarded in a sealed envelope on which should be clearly marked "NOMINATION".

50. Any nomination paper not completed in accordance with the rules and procedures laid down herein will be declared null and void.
51. All nominations for the Chairman will be opened at a Council Meeting and names and details of persons validly nominated will be dispatched to members together with the Voting Paper.
52. Each member shall vote for one nominee for the post of Chairman. Any Voting Paper with votes for more than one nominee shall be declared null and void.
53. A Candidate may contest only one position, either of Chairman or of Council member. A member serving on the Council and wishing to contest the position of the Chairman shall resign their position on the Council, with such resignation taking effect at the next Annual General Meeting. The resignation shall be communicated to the Council before the vacancies in the respective positions of Chairman and Council Member are declared by the Council.
54. In the event that only one candidate is validly nominated for the post of Chairman, the Returning Officer shall declare that no elections for the position of Chairman will be held and shall present the results

for confirmation at the Annual General Meeting.

### *Council Members*

55. All nominations for election of the Council members must be completed on the official nomination form, which will be obtained from the Institute's office, electronically, or by written request to P. O. Box 59963 - 00200 City Square, Nairobi.

### *Nomination Procedures*

56. The nomination paper must be signed by the nominee indicating his willingness to stand and by a proposer, seconder and five members of the Institute, all of whom must have paid their subscriptions for the current year.
57. Every completed nomination paper must be returned together with brief details of the nominee, which shall be provided in a format to be decided by Council.
58. Each member of the Institute can only support nominations for a number not exceeding the number of vacancies on the Council.
59. Duly completed nomination papers must reach the Institute's office not later than the time stipulated by the Council. The nomination papers shall be forwarded in a sealed envelope on which should be clearly marked "NOMINATION".
60. While nomination papers may be forwarded electronically, any nomination paper not completed

in accordance with the rules and procedures laid down herein will be declared null and void.

61. All nominations for election of Council members will be opened at a Council Meeting and names and details of persons validly nominated will be dispatched to members together with the Voting Paper.
62. Where the number of vacancies on the Council is equal to the number of candidates validly nominated, the Returning Officer shall declare that no elections for the position of Council Member will be held and shall present the results for confirmation at the Annual General Meeting.
63. The Secretary shall at least 30 days before the Annual General Meeting send a Voting Paper electronically and/or by post to every member whose subscription for the current year shall have been paid.
64. The form of Voting Paper shall be determined by the Council, nevertheless it shall include names of the validly nominated candidates and a space on which a vote for each candidate shall be marked.
65. The vote by each member shall be cast by placing a tick ( ) or a cross (X) in ink in the space provided for each candidate. Any other kind of mark will nullify the vote.
66. Every member shall place his duly filled voting paper



in an envelope marked “Voting Paper” and shall send it to the Secretary so as to reach him/her at least 7 clear days before the date fixed for the Annual General Meeting or within the period specified in the notice of the election. The Secretary shall keep in safe custody all returned voting papers unopened for subsequent opening and examination by scrutineers.

67. The Secretary to the Council shall keep all ballot papers returned unopened in a sealed box in the Institute’s office. The ballot box shall have two locks. The keys to one lock shall be kept by the Returning Officer and those of the other by the Secretary to the Council. The form of ballot box shall be determined by the Council, which will ensure adequate security for voting papers.
68. The voting papers shall be opened and serially numbered at least 3 days before the Annual General Meeting at a place and time to be made known to members in advance in the presence of any candidate or his duly authorized representative who may wish to witness the opening and the counting of votes.
69. The Council shall present all the ballot papers that have not been circulated and the same shall be verified by the scrutineers, the candidates and their representative should have access to the register.
70. Counting of votes shall be done by the scrutineers in the presence of candidates and their agents. In case of an equality of votes, the tie shall be resolved by lot. Any candidate or authorized representative

can request a recount of votes at any stage with the approval of the Returning Officer whose decision on this matter shall be final.

71. As soon as the voting papers have been examined and the results of election ascertained, the decision of the scrutineers shall be final and the voting papers shall be closed under the seal of the scrutineers, and shall be retained by the Secretary for at least six months after the Annual General Meeting, after which they may be destroyed.
72. The report of the Returning Officer and scrutineers on the elections and the results thereof shall be read by the Returning Officer to and confirmed by the Annual General Meeting.
73. The elected members shall commence their terms of office after the confirmation of the report of the Returning Officer and the scrutineers by the Annual General Meeting.

#### *Returning officer and Scrutineers*

74. The Council shall, every year at a suitable time prior to the Annual General Meeting, appoint four scrutineers one of whom shall be the Returning Officer and who shall be required to attend the Council meetings at which nominations are to be opened. Candidates shall not be eligible to become scrutineers. The Secretary shall be an ex-officio member of the scrutineers panel.

75. The Returning Officer and any two of the scrutineers shall form a quorum.
76. Any subsequent vacancy on the scrutineers panel shall be filled by a member to be appointed by the Returning Officer.

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