

Chartered Accountants Act

An Act to Incorporate

(Act of Incorporation, Chapter 154, Statutes of Nova Scotia, 1900; As Amended to 1995)

WHEREAS, Samuel S. Scott, Michael Brown, Robert A. Macintyre, William F. Leverman, Edward J. Longard, William C. Bishop, George E. Faulkner, and W. Simms Lee, all of Halifax, in the County of Halifax, accountants; John Cameron, of New Glasgow, in the County of Pictou, accountant, and Thomas W. Johns, of Yarmouth, in the County of Yarmouth, accountant, on the 12th day of January, 1900, signed a memorandum of association and constitution, constituting themselves and such persons as should become associated with them, an association under the name of "The Institute of Chartered Accountants of Nova Scotia."

Therefore, be it enacted by the Governor, Council and Assembly, as follows:

1. This Act may be cited as the Chartered Accountants Act.
- 1.A The said Samuel S. Scott, Michael Brown, Robert A. Macintyre, William F. Leverman, Edward J. Longard, William C. Bishop, George E. Faulkner, W. Simms Lee, John Cameron, and Thomas W. Johns, and such other persons as may become associated with them are hereby constituted a body corporate, under the name and style of "The Institute of Chartered Accountants of Nova Scotia" in this Act hereinafter referred to as the "Institute."

Objects

2. The objects of the Institute are:
 - a. To promote and increase the proficiency of the members of the Institute in all matters relating to the profession and business of an accountant.
 - b. To do all such matters and things as will advance and protect the interests of the members of the Institute in the profession and business of accountants and auditors.
 - c. To do all such matters and things which are calculated to give the business public a greater appreciation of the usefulness and competency of the members of the Institute in the practice of their profession as chartered accountants.
 - d. To assist necessitous members of the Institute and the widows and children and other dependent kindred of deceased members of the Institute either by way of contribution from, or assessment upon, the members of the Institute, or by contribution from the general funds of the Institute, or from funds received by or contributed to the Institute from persons who are not members of the Institute.
 - e. To establish, provide or improve such educational and training facilities for persons desiring to become members of the Institute as will enable them to acquire the necessary education and training to qualify for admission as members of the Institute.
 - f. To ensure that the high professional standards of the members of the Institute are maintained.
 - g. To do all such other matters and things as may be necessary or incidental or conducive to carrying out any of the hereinbefore enumerated objects.

Powers

3. The Institute in addition to all other powers vested in corporations is hereby authorized and empowered.

- a. To establish, approve or conduct courses of instruction for the education and training of those persons desiring to become members of the Institute, and to prescribe the nature and extent of the practical experience in accountancy which must be possessed by any person before being admitted as a member of the Institute.
- b. To provide facilities for the examination of persons seeking to become members of the Institute.
- c. To make suitable affiliation arrangements with any university, school, college or other institution of learning or with any Institute or Society of Accountants for the instruction and examination of persons seeking to become members of the Institute.
- d. To borrow money for the purpose of carrying out any of the objects of the Institute and to give security for any money so borrowed on any of the real, personal or mixed property of the Institute by way of mortgage, pledge, charge or otherwise howsoever.
- e. To acquire, hold and dispose of real estate.
- f. To receive money and other real, personal or mixed property for the purposes of assisting necessitous members of the Institute and the widows and children and other dependent kindred of deceased members of the Institute, and to administer and disburse the same.
- g. To establish and maintain a register and to cause to be recorded therein the names and addresses of all persons pursuing a course in accountancy with a view of becoming members of the Institute which persons shall be designated as registered students and prescribe the requirements necessary for any person to be a registered student of the Institute.
- h. To grant a certificate of competency or diploma to all members of the Institute.
- i. To fix the fees payable by any person, upon being admitted as a member of the Institute, and to fix the fees payable by any person desiring to write any examination prescribed by the Institute with a view to becoming a member of the Institute and to fix the annual fees payable by members of the Institute, and to exempt any member from the payment of any such fees for such reason and upon such terms and conditions as the Council may from time to time determine.
- j. To assess its members for any ordinary, special or extraordinary expenditures that may be deemed necessary or expedient to further any of the objects of the Institute, and such assessment may be made in the manner provided by the By-laws of the Institute.
- k. To provide for the discipline of its members and registered students with power to prescribe:
 - i. procedures for the investigation of complaints or allegations that a member or registered student is guilty of professional misconduct or in breach of this Act or the By-laws of the Institute,
 - ii. procedures for proceedings respecting the adjudication of such complaints or allegations,
 - iii. the disciplinary penalties, sanctions and remedial actions that may be imposed upon members or registered students,
 - iv. procedures for appeals from the dispositions of such disciplinary proceedings;
- l. To establish and maintain a Library for the benefit of the members of the Institute.
- m. To establish tests of competency and fitness for the professional practice of a chartered accountant including, without limitation, ongoing practice review and assessment to qualify for continuation of membership in the Institute.
- n. To establish and maintain, directly or indirectly, independently or in association with others a system for the review of the professional practice and standards of members and in conjunction therewith to:
 - i. upon reasonable notice, enter the professional premises of members and inspect the professional records, files, working papers and all other documents and papers and records relating to the professional practice of a member,
 - ii. make such orders and recommendations as are appropriate in the circumstances including without limitation the power to require corrective courses of action for a member, to require that a member upgrade qualifications, to provide for a follow-up practice review, and to direct, at any stage, that the matter be referred to the Professional Conduct Committee of the Institute,
 - iii. designate persons and committees to perform and carry out any or all of these functions,
 - iv. assess members for the costs associated therewith either by way of general or specific charges upon members or some of them or a combination of such charges;
- o. To do all such other matters and things as may be necessary for or incidental or conducive to the exercise of any of the hereinbefore enumerated powers.
- p. To make By-laws relating to the objects and powers of the Institute, provided the said By-laws shall have no force or effect unless and until approved by the Governor-in-Council.
- q. To require members or classes of members carrying on the practice of public accounting in the Province to carry professional liability insurance on such terms, including the amount and kind of coverage that must be carried, as prescribed by a By-law of the Institute.

- r. To appoint persons who are not members of the Institute to serve on the Council and to appoint members of the Institute and persons who are not members of the Institute, including but not limited to persons who may be members of Council, to serve on any committee or committees to which the Council has delegated disciplinary or other responsibilities.
- s. To require members or classes of members to report to the Institute respecting the members' participation in continuing professional education.
- t. To require members or classes of members to fulfil a minimum requirement of approved continuing professional education, as prescribed by a By-law of the Institute.

Membership

- 4. Any person who shall have complied with the By-laws of the Institute relating to the education, training, qualification, examination and admission of members shall be eligible to become a member of the Institute.
- 5. Any person who has passed the prescribed examinations of an incorporated Institute or Society of Accountants, the standards of skill and proficiency for qualification for membership in which are, in the opinion of the Council, at least equivalent to the skill and proficiency required for the qualification of a person for membership in the Institute and who is certified by the secretary of such Institute or Society of Accountants to be a member thereof in good standing, and who shall satisfy the Council that he or she has reasonable grounds for seeking to become a member of the Institute, shall be entitled to become a member of the Institute without passing any examinations prescribed by the Institute or by the By-laws of the Institute.
- 6. Every member of the Institute shall be entitled to take or use the designation "Chartered Accountant" either alone or in combination with any other words, or the initials "CA".
- 7. Any member of the Institute may take or use the designation "Fellow of the Chartered Accountants" or "Associate of the Chartered Accountants" or the initials "FCA" or "ACA" either alone or in combination with any other words or initials upon being authorized so to do in accordance with the By-laws of the Institute.
- 8. No person who is not a member of the Institute shall be entitled to take or use the designation "Chartered Accountant" or "Fellow of the Chartered Accountants" or "Associate of the Chartered Accountants" or the initials "CA" or "FCA" or "ACA" either alone or in combination with any other word or words, or any name, title, initials or description, implying or calculated to imply that he or she is a chartered accountant, or any name, title, initial or description implying or calculated to imply that he or she is a certified accountant or an incorporated accountant.
- 9. Any person who violates any of the provisions of Section 8 of this Act shall be liable to a penalty not exceeding one thousand dollars for a first offence and a penalty not exceeding two thousand dollars for a second or subsequent offence.
- 10. Section 8 of this Act shall not apply to any person practicing as a chartered accountant or as a public accountant in Nova Scotia previous to the 29th day of March, 1900, and holding on that date a certificate of membership in any Institute or Society of Accountants, nor to any person, who being a member in good standing of The Dominion Association of Chartered Accountants on the 16th day of December, 1909, was on that day entitled to become a member of the Institute or to apply for membership therein.
- 11. Nothing in this Act contained shall confer upon the Institute any right to interfere with or to prevent any person from acting as a public accountant.
- 12. The Institute shall cause to be kept by its secretary or some other officer authorized for that purpose by a resolution of the Council, a register, in which shall be entered the names of all members of the Institute, and only those of members whose names are entered in the said register, or are entitled to be registered in the said register, shall be entitled to the privileges of members of the Institute, and such register shall at all reasonable time be subject to inspection by any person without the payment of any fee.
- 13. Any person who has rendered worthy, meritorious or conspicuous service to the Institute, may, by the unanimous vote of the members present at any regularly called meeting of the Institute be elected as an honorary member of

the Institute, but such election to honorary membership shall not confer on the person, so elected, the right to take or use any designations referred to in sections 6 or 7 of this Act, or to be elected as a member of the Council or to vote at any meeting of the Institute.

Council

14. There shall be a Council of the Institute herein called the "Council", of which the president and vice-president shall be members ex-officio, consisting of not less than six additional persons who are members of the Institute and not more than two additional persons who are not members of the Institute; and not more than the total number fixed from time to time by the By-laws of the Institute.
- 14.A. Each member of the Council is a voting member of the Council.
15.
 1. Each member of the Council who is a member of the Institute shall be elected from the membership of the Institute at an annual meeting of the Institute and holds office for one year and may be re-elected.
 2. Each member of the Council who is not a member of the Institute shall be appointed by the Council at the first meeting of the Council next following an annual meeting and holds office for such term as may be prescribed by a By-law of the Institute.
16. Nominations of candidates for election to the Council shall be in writing and the election shall be by secret ballot, and the procedure relating to the nomination and election of members of Council shall be as set forth in the By-laws of the Institute.
17.
 1. The Council shall have the general management of the affairs and business of the Institute and shall carry on and transact the same in accordance with the By-laws of the Institute. Six members of the Council shall be a quorum.
 2. The Council may delegate any of its powers to any committee or committees of the Institute.
 3. The Council may appoint an Executive Director and such other staff as may be considered advisable, who shall be responsible for such duties as may be assigned by the Council or by By-law and who shall receive such remuneration as the Council shall from time to time determine by resolution.
18. If a vacancy occurs in the Council, such a vacancy may be filled by a majority vote of the remaining members of the Council, present at any regularly called meeting of the Council.

Officers

19.
 1. The officers of the Institute shall consist of the president, vice-president, secretary and treasurer, and the offices of secretary and treasurer may be combined in one person.
 2. No person may be an officer of the Institute unless that person is a member of the Institute.
20. The president and vice-president shall be elected at the annual meeting of the Institute, in accordance with the By-laws of the Institute and the secretary and treasurer shall be elected by a majority vote of the members of the Council present at any regularly called meeting of the Council and any member of the Institute may be elected secretary or treasurer or both.
21. The duties of the president, vice-president, secretary and treasurer may be determined by the By-laws of the Institute.

Meetings

22. There shall be an annual meeting of the members of the Institute and such meeting shall be held within four months of the fiscal year end of the Institute in each and every year at such time and place as the Council may from time to time, by resolution, determine.
23. Special meetings of the Institute shall be held at such time and place and upon such notice as may be determined by the By-laws of the Institute.
24. The business to be transacted at the annual meetings and special meetings of the Institute may be determined by the By-laws of the Institute, and twelve members of the Institute shall form a quorum.

By-Laws

25.
 1. All By-laws of the Institute and the repeal and the amendments thereof shall be submitted by the Council to a meeting of the members of the Institute, and when approved by resolution passed by a two-thirds majority of the members present at any regularly called meeting of the members of the Institute, whereof the notice calling the same shall have contained a copy of the proposed By-law, repeal or amendment, and the statement that the same will be submitted at said meeting for consideration, may be submitted to the Governor-in-Council for approval but no Bylaw, repeal or amendment shall have any force or effect until approved by the Governor-in-Council.
 2. The Council shall when requested so to do, in writing, signed by any member of the Institute, submit to a meeting of the members of the Institute any repeal or amendment to the By-laws so requested to be submitted.
- 25.A.
 1. The Council may, from time to time, adopt a Code of Ethics and Rules of Professional Conduct prescribing standards of fitness, moral character and conduct for members and registered students, but no such Code or Rule or any amendment thereto takes effect until it has been approved by a two-thirds majority of the members present and voting at an annual meeting of the members of the Institute or at a general meeting of the members of the Institute called to consider the rule or amendment or by a similar majority of the valid votes cast by mail ballot.
 2. Each member and each registered student shall comply with this Act, the By-laws of the Institute, the rules and regulations of the Institute and such standards as may be prescribed pursuant to this Section.
 3. The Council may discipline and penalize members and registered students, and, without restricting the generality of the foregoing, may reprimand, admonish, suspend, expel, fine, censure, and order remedial action or impose other sanctions and penalties prescribed by By-law, and order payment of costs of disciplinary proceedings or any part thereof, including the fees and disbursements of any counsel and witnesses, and the Council may delegate all or any part of the powers conferred on it by this subsection, to a committee or committees of the Institute.
 4. Notwithstanding the Code of Ethics and Rules of Professional Conduct, the Council or a committee or committees to which the Council has delegated disciplinary and penalty powers may determine from time to time in particular cases, what acts, omissions, matters or things constitute unfitness, lack of moral character or professional or other misconduct in members and registered students, or violations of the By-laws, Rules and regulations of the Institute or are or have been derogatory to the reputation, dignity or honour of the Institute or the profession.
 5. Any Code of Ethics or any Rule of Professional Conduct of the Institute in force immediately prior to the coming into force of this Section continues in effect until changed or replaced pursuant to this Section.
26. No member of the Institute shall be personally liable for the debts of the Institute, provided such member does not contravene the provisions of this Act, but all property of the Institute, whether real, personal or mixed, shall be liable for the payment of debts of the Institute.

- 26.A. A member of the Institute may be associated with or be an investor in a professional corporation for the purpose of practising public accounting if the member:
- a. is registered with the Institute as so practising and complies with those provisions of the By-laws of the Institute relating to professional incorporation; and
 - b. complies with the provisions of the Public Accountants Act respecting the practice of public accountancy by a corporation, but the relationship of a member to a corporation engaged in the practice of public accounting, whether as a shareholder, director, officer or employee does not affect, modify or diminish the application of this Act or the By-laws of the Institute to the member.
27. An auditor shall be elected at each annual meeting of the members of the Institute and the books of account and records of the Institute shall be audited by such auditor and a report of the audit so made, including a full financial statement of the affairs of the Institute, shall be presented to the members at the annual meeting of the members of the Institute held next after his or her election.
28. All moneys received by the Institute and all property belonging to the Institute of whatsoever kind, and from wheresoever derived, shall be applied solely towards the carrying out of the objects of the Institute as set forth in this Act, and no portion thereof shall be applied, paid or transferred, directly or indirectly by way of dividend, bonus or otherwise as profit to the members of the Institute; provided, however, that nothing herein contained shall prevent the payment of remuneration to any officer or servant of the Institute, or to any member of the Institute or other person in return for any service rendered to the Institute; or to prevent the payment of interest on money borrowed for carrying out any of the objects of the Institute.
- 28.A. The Council may appoint a member of the Institute to act as custodian of the practice of another member where the other member dies, disappears, is suspended or is expelled, or is for any reason unable to carry on practice, if it appears to the Council that adequate provision has not been made for the protection of the interests of clients or the public and the appointment is approved by a judge of the Supreme Court of Nova Scotia who may, upon application by the Institute, grant an order for such custodial appointment on such terms and conditions as the judge may consider just and reasonable.
29. Chapter 154 of the Acts of 1913 and Chapter 160 of the Acts of 1914 are and each of them is hereby wholly repealed.