



Association of Certified Fraud Examiners

South African Chapter (Number 91)

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GENERAL NOTICE

5 October 2018

Dear Members,

Re: PROPOSED CHANGES TO THE ACFE SA MEMORANDUM OF INCORPORATION

The ACFE SA Board of Directors (2017/18) held an ACFE SA strategic planning session during November 2017 where they identified a number of objectives the local chapter needs to achieve. One of the objectives was to review the Mol, the previous Mol was reviewed in 2016.

The ACFE SA invited Terry Booysen to explain the responsibilities of the Board of directors and to review our current Mol. From the feedback received and looking at the risk diagram compiled by the board, changes were made to the current Mol.

The ACFE SA propose the following changes to be made to the ACFE SA Memorandum of Incorporation (Mol) which will be discussed at this coming 11th Annual ACFE African Conference at the Sandton Convention Centre during the AGM on the 16th of October 2018.

These changes are proposed following the requirements set out in *Section 16(1)(c), Section 16(5)(b), and Section 17(1) of the COMPANIES ACT 71 OF 2008.*

EXCO BOARD MEMBERS:

J LE ROUX (PRESIDENT); Z. MXUNYELWA (VICE PRESIDENT); S DU PLESSIS (PAST PRESIDENT); J DE JAGER (CEO – ACFE SA);
L VERCUIEL (TREASURER); J SIBEKO (BOARD SECRETARIET)

BOARD MEMBERS:

A BOTHA; B SARGENT; D HUCKER; R JANSE VAN RENSBURG

The following changes are proposed:

1. Article 3 – Members Meeting – Page 4

3.2 Members' right to requisition a meeting

3.2.1 The right of members to requisition a meeting, as set out in Section 61 (3), may be exercised by at least 10% of the voting members, as provided for in that section.

Proposed change:

3.2.1 Members' right to requisition a meeting

3.2.1. The right of members to requisition a meeting, as set out in Section 61 (3), may be exercised by at least 10% of **CFE's in good standing of the ACFE SA Chapter**, as provided for in that section.

2. Article 4 – Directors and Officers – Page 5

4.1 Composition of Board of Directors

4.1.4 The Board of Directors of the Company will comprise of a minimum of four (4) elected non-executive directors limited to no more than 15 elected non-executive directors, and no alternate directors

- a. in the manner set out in Part A of Schedule 3; and
- b. serves for a term as set out in Article 4.1.4 and 4.1.5 below.

Proposed change:

4.1.4 The Board of Directors of the Company will comprise of a minimum of four (4) elected non-executive directors, **and a maximum of 15** elected non-executive directors, with no alternate directors

- a. in the manner set out in Part A of Schedule 3; and
- b. serves for a term as set out in Article 4.1.4 and 4.1.5 below.

3. Article 4 – Directors and Officers – Page 7

4.5 – Officers and Committees

EXCO BOARD MEMBERS:

J LE ROUX (PRESIDENT); Z. MXUNYELWA (VICE PRESIDENT); S DU PLESSIS (PAST PRESIDENT); J DE JAGER (CEO – ACFE SA);
L VERCUIEL (TREASURER); J SIBEKO (BOARD SECRETARIET)

BOARD MEMBERS:

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4.5.4 In order to comply to good corporate governance the ACFE SA will have an audit committee to oversee and monitor the organisation's financial reporting, disclosure, internal and external audit, internal control, regulatory compliance, and risk management activities. This committee, consisting out of a minimum of two (2) will function under the leadership of one of the ACFE SA directors (must be a CFE). The remainder of the committee may consist out of members and non-members in good standing of the ACFE SA, SAICA, SAIPA, or equivalent, with the appropriate relevant qualification.

4.5.5 The ACFE SA Board of Directors may institute a Disciplinary Committee consisting of members and non-members and appointed by the ACFE SA Board of Directors to review complaints against members, and/or to make recommendations to the Board. The committee will consist out of a minimum of 3 delegates, consisting of at least one CFE, and one Board member of the ACFE SA, and one practicing attorney with experience in labour and criminal law.

Proposed changes:

4.5.4 In order to comply to good corporate governance the ACFE SA will have an audit committee to oversee and monitor the organisation's financial reporting, disclosure, internal and external audit, internal control, regulatory compliance, and risk management activities. This committee, consisting out of a minimum of two (2) will function under the leadership of one of the ACFE SA directors who need to be a CFE. The remainder of the committee may consist out of members and non-members **to be appointed/approved by the Directors of the ACFE SA of which at least one of the committee members be a member** in good standing of an accounting professional body such as SAICA, SAIPA, etc. having a relevant qualification.

4.5.5 The ACFE SA Board of Directors may institute a Disciplinary Committee consisting of members and non-members and appointed by the ACFE SA Board of Directors **to assist in** reviewing of complaints against members and making recommendations to the Board. The committee will consist out of a minimum of 3 delegates of which one need to be a CFE and Board member of the ACFE SA. **The rest of the committee needs to consist of candidates holding a legal qualification such as LLB and having relevant experience in labour and criminal law.**

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4. Article 4 – Directors and Officers – Page 8

4.6 – Independence, Non – compliance and Conflict of Interest

Directors will not be allowed to sit on competitive Board's as directors such as the ICFP (Institute of Commercial Forensic Practitioners).

Proposed changes:

Directors of the ACFE SA are not allowed to hold director's positions of any professional body in direct competition of the ACFE SA.

5. Article 4 – Directors and Officers – Page 8

4.7 – Cessation as Director

Directors may be removed in terms of Section 71 of the Companies Act if they don't attend 3 consecutive meetings or meet the requirements set out in the ACFE Bylaws or Director Guidelines.

Proposed Change:

Directors may be removed in terms of Section 71 of the Companies Act if they do not perform their duties and obligations in terms of the requirements set out in the ACFE International and/or SA Bylaws and/or Director Guidelines.

EXCO BOARD MEMBERS:

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