

# THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS

## COMMITTEE FOR AUSTRALIA

25 June 2012

Mr Gavin Downs FCIS  
President of the Institute of Chartered Secretaries and Administrators  
c/o The Institute of Chartered Secretaries and Administrators  
16 Park Crescent  
London W1B 1AH

By email: [Gavin.Downs@Equiniti.com](mailto:Gavin.Downs@Equiniti.com)

### Charter and Bye-law changes

Dear Gavin

As foreshadowed to you in our letter of 17 May 2012, the Committee for Australia (CFA) met on the weekend of 23 and 24 June 2012 to discuss progress with submitting changes to Charter Article 17 and Bye-law 23 to the Privy Council. The CFA discussed the situation in the context of its obligation to represent and protect the will of the 58 per cent of the Australian membership that lodged proxies for the member requisitioned meeting.

The CFA notes and appreciates the progress made since our letter to you of 17 May 2012, in particular the meeting held by the Group of Four with the Privy Council on 12 June 2012.

The in-principle positive response from the Privy Council to changing the composition of the Council of the Institute of Chartered Secretaries and Administrators (ICSA or Institute) to remove the in-built UK majority and replace it with proportional representation is a welcome development. In addition, the apparent willingness by the representatives of the Privy Council to engage with the Institute and assist it to resolve its issues is also a positive development.

It appears as though much information provided to the Divisions about the difficulty in solving these important issues and of the stretched resources of the Privy Council was perhaps not entirely accurate. As a result much time has been lost.

The CFA has also written previously about its concern regarding the desire of the UK members of Council to fully resolve the complex issues of UKRIAT as a separate Division from the Institute, prior to implementing the will of the Members. It appears as though this issue is still being used to delay a timely resolution of the change to the composition of Council.

After much discussion the CFA came to the conclusion that the nature and pace of the progressing of the Charter and Bye-law changes is well outside the 28-day time frame that was agreed by the Institute's Council at its meeting on 2 February 2012. Please see the attached resolution agreed to on 2 February 2012. Recent correspondence suggesting that the already agreed changes to Charter Article 17 and Bye-Law 23 are to go back to a Member vote for a second time is a further departure from the 2 February 2012 agreement.

As a result of what is outlined above the CFA resolved, effective today, to suspend participation by the Australian Division in the affairs of the Institute until a formal written request is put before the Privy Council that seeks its approval to changes to Charter Article 17 and Bye-Law 23 (both of which have been approved by members and adopted by the Institute's Council, as set out in the Notice of Meeting for the requisitioned General Meeting convened for 8 December 2011).

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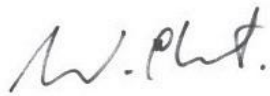
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Suspension of participation by the Australian Division in the affairs of the Institute includes no further participation in the review process for the changes to the Charter and Bye-Laws, no participation in the twice-yearly Examination Script Review by the Professional Standards Committee, no payment of normal capitation fees, no provision of twice-yearly Certificates of Compliance or Territorial Reports, no attendance at Council meetings and no provision of minutes of the Committee for Australia or any other committees.

We are sure you will understand that this decision was not taken lightly. The Australian Division has participated in all aspects of the redrafting of the Charter and Bye-laws in good faith and has acceded to a very much lengthened time line from that envisaged in the February resolutions.

The members of the Committee for Australia sincerely wish to see the Institute have the governance structure that the Members voted for and that it needs. However, it has no choice at this time but to distance itself until progress is made in accordance with the agreement made by the Institute's Council on 2 February 2012.

Yours sincerely



WL te Kloot FCIS  
President, Australian Division



Peter Turnbull FCIS  
Australian Division Representative

**Institute of Chartered Secretaries and Administrators**  
**Bye-Law Amendments Agreed by Council on 2 February 2012**

It was resolved that:

1. Council adopts the amendments to Bye-Law 23 and Charter Article 17 set out in the notice of meeting for the requisitioned General Meeting convened for 8 December 2011.
2. The amendments referred to in resolution 1 shall be submitted to the Privy Council for approval within 28 days of the date of this meeting.
3. For the avoidance of any doubt, the Divisions shall have no claim on, or responsibility for the assets and liabilities of UKRIAT as set out in its audited accounts from time to time.
4. a) Council agrees to adopt an appropriately high educational standard to protect the integrity of the Qualifying Scheme by reference to Bloom's Taxonomy Levels 4, 5 and 6  
b) Council agrees to entrench the standard referred in the resolution 4(a) by the creation of a new Bye-Law  
c) Council recognises in the creation of the new Bye-law referred to in resolution 4(b) that local requirements in the various individual Territories will guide and inform the drafting of the new Bye-Law.
5. a) Council agrees to subsequently amend Bye-Law 23.2 as referred in resolution 1 by deleting the reference to Bye-Law 31.2 and to delete the final bullet point in Bye-Law 23.2.  
b) Council agrees to amend new Bye-Law 23.2 as referred to in resolution 5(a) by deleting the words commencing "with more than 1,000 members" and concluding with "period of service" from the full paragraph after bullet point 3 in the "Notice of Requisitioned General Meeting."
6. a) Council hereby appoints a Sub-Committee comprising of the following people:
  - Gavin Downs
  - Lorraine Young
  - Frank Bush
  - Bob Lees

A member of the committee may appoint an alternate in their place if they are unable to participate on a particular occasion.

b) The Sub-Committee will have the following decision making powers and responsibilities:

i) To draft the new Bye-Law referred in to resolution 4 (c).

ii) To submit the draft of the new Bye- Law referred in to resolution 6 (b) (i) to the Council for comment

iii) Having considered the comments from members of the Council the Sub-Committee will finalise the wording of the new Bye-Law.

iv) To submit the new Bye-Law referred to in resolution 6 (b) (i) together with those Bye-Law amendments previously agreed between the UKC and the Divisions a copy of which is annexed and marked "A", to the Privy Council for approval subject to those Bye-Law amendments set out in resolutions:

- 4 (c)
- 5
- 6 (iv)

being approved by the members

v) The submission of the new and amended Bye-Laws to the Privy Council referred to in resolution 6 (iv) shall be affected within 30 days of this meeting.

vi) The Committee has responsibility for addressing and satisfying any requisitions or communications raised by, or from the Privy Council.

vii) The Committee may, as it sees fit, seek any professional advice in relation to fulfilling its roles and responsibilities which may include any necessary advice in relation to the drafting of new Bye-Laws or the amendment of existing Bye-Laws.

viii) The Committee shall determine if, at any stage, any issues should be referred to the Council for direction or resolution.

ix) The Committee shall keep the Council informed of all material developments.

7. These changes have the expressed full support of the Council.